

**THE REPUBLIC OF UGANDA  
IN THE COURT OF APPEAL OF UGANDA AT KAMPALA**

**CORAM: HON. JUSTICE L.E.M. MUKASA-KIKONYOGO, DCJ  
HON. JUSTICE G.M. OKELLO, JA  
HON. JUSTICE A. TWINOMUJUNI, JA**

**CIVIL APPEAL NO. 68 OF 2002**

**GLAXO GROUP LTD:..... APPELLANT**

**VERSUS**

**J.B. CHEMICALS &  
PHARMACEUTICAL LTD:..... RESPONDENT**

**(Appeal from the Judgement/Decree of the High Court before  
Hon. Justice Constance K. Byamugisha dated 1<sup>st</sup> November  
2001 in the High Court of Uganda at Kampala in Civil  
Application No. 152 of 2002)**

**JUDGEMENT OF L.E.M. MUKASA-KIKONYOGO, DCJ**

This is a second appeal on a trademark infringement. It was brought by Glaxo Group Ltd, appellant, against the judgement/decree of the High Court dated 1<sup>st</sup> November 2001.

The background of the appeal is that, the appellant is the registered proprietor of the trademark known as **“Zantac” registration number 15080 in class 5**. It is in respect of pharmaceutical, medicinal, veterinary preparations and substances. It was validly

registered on 14/02/79 and was still on the register of the trademarks in Uganda at the time this matter was filed before the registrar of trademarks. It is claimed by the appellant that **“Zantac”** was first used in Uganda in 1981 and on a massive scale worldwide as indicated in the statutory declaration in support of its claim sworn by Lesley Jane Edwards dated 5/08/95.

To the appellant’s disappointment, J.B. Chemicals and Pharmaceutical Ltd, the respondent, advertised in the 7<sup>TH</sup> issue of the Gazette dated 7<sup>th</sup> February 1997, application, **number 20375 in class 5, to register “Rantac”** as its trade mark in Uganda, over 15 years after the registration of the appellant’s trademark **“Zantac”**. The appellant, therefore, instructed its counsel, Magezi, Ibale and Co. Advocates to raise an objection to it before the registrar of trademarks. It was contended for the appellant, that the intended registration was contrary to **Sections 14** and **15 of the Trademark Act** and the Rules made there under. Section 14(1) reads as follows:

***“ It shall not be lawful to register as a trademark or part of the trademark any matter the use of which would by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a Court of Justice or would be contrary to law or morality or any scandalous decision”.***

Section 15 (1) provides as follows:-

***“Subject to the provisions of subsection (2) of this Section no trademark shall be registered in respect of any goods or description of goods that is identical with a trademark belonging to a different proprietor and already on the register in respect of the same goods or description of goods, or that so nearly resembles such a trademark as to be likely to deceive or cause confusion”***

It was the contention of Mr. Magezi counsel for the appellant that the respondent's trademark "**Rantac**" was too similar and effectively identical to the appellant's trademark, "**Zantac**" which if registered would cause confusion or deception in the minds of the consumers.

On the other hand, counsel for the respondent submitted that on the record of proceedings presented to the Registrar of the Trademarks, and the affidavit filed in support of the appeal in the High Court, the appellant failed to prove that the registration of "**Rantac**" as a respondent's trademark was contrary to **Sections 14 & 15 of the Trademarks Act** supra.

Further, counsel, for the respondent argued that if, however, there were any irregularities in the procedure before the Assistant Registrar of trademarks, they did not affect the final decision. Additionally counsel pointed out that The Ugandan Legislature has enacted Statutes and Statutory Instruments, which have entrenched, checks and balances in the system of consumption of both human and veterinary drugs. There is no doubt the appellant's trademark would be protected by the law. By way of reply some documents were filed on behalf of the respondent, some of which were in time but others out of time despite the sufficient extension of time given to the respondent. The attempts by the appellant to oppose the late filing were rejected by the Assistant Registrar without giving the appellant opportunity to be heard or comment on them.

The appellant's objection to the registration of "**Rantac**" was overruled. The Assistant Registrar allowed the respondent to register it as its trademark. The appellant's appeal to the High Court was also dismissed. Dissatisfied with the decision of the High Court, the

appellant appealed to this court. The memorandum of appeal contains 14 grounds of appeal which read as follows:-

- 1. The learned judge erred in law and fact when she failed to properly evaluate the evidence on record thereby coming to a wrong conclusion.**
- 2. The learned judge erred in law and fact when she based her findings on speculation and extraneous factors.**
- 3. The learned judge erred in law and fact when she allowed the respondent to depart from its proceedings.**
- 4. The learned judge erred in law and fact when she failed to find that in the circumstances of the case and on a balance of probabilities the appellant proved its case and should have been awarded as prayed.**
- 5. The learned trial judge erred in holding that the Assistant Registrar did not err in accepting late filing of the affidavit by Dr. Madhukant Mansukhal Doshi on behalf of the respondent.**
- 6. The learned trial judge erred in holding that the Assistant Registrar did not err in not affording the appellant the opportunity to file an affidavit in reply to the affidavit filed on behalf of the respondent.**
- 7. The learned trial judge erred in not finding the trademark 'Rantac' to be effectively identical to the trademark 'Zantac' and she further more erred in not finding the trademark 'Rantac' to so nearly resemble the trademark**

***'Zantac' that use by the respondent of trade mark "Rantac" would be likely to deceive and/or cause confusion between the goods of the respondent on the one hand and the appellant's goods for which its trademark "Zantac" had registered, used and promoted on the other hand.***

**8. *The learned judge erred in not finding that the trademark "Rantac" would be likely to cause members of the public to infer that the appellant had in some way approved or licensed the respondent or its goods or that there was some other connection between the respondent and appellant.***

**9. *The learned judge erred in not finding that registration of the trademark "Rantac" was unlawful in terms of Sections 14 and 15 (1) of the trademark Act.***

**10. *The learned judge erred in her interpretation of the agreement entered into between the appellant and respondent on 3-04-1992 for inter alia the following reasons.***

**1.1. *She erred in finding that the agreement was not confined to India.***

**1.2. *She erred in finding that the agreement was an admission by the appellant that "the two trade marks are not confusing or deceptively similar, or identical with each other, and the respondent's trademark "Rantac" is registerable".***

**11. The learned judge erred in finding the decision of the “Appellation Chamber of Rospatent in Russia” to be persuasive in Uganda. In particular the Assistant Registrar erred for the following reasons:-**

**1.1 The decision of the Russian trademark on authorities and, indeed, court are unenforceable and of no effect in Uganda.**

**1.2 The trademark laws in Russia and Uganda differ substantially.**

**1.3 The facts applicable in the matter under appeal differ substantially from those, which were relevant to the Russian cancellation action. In particular, the Russian Registry took account of a number of trademarks, in class 5, with the suffix- TAC. That is not the case in Uganda. Further more, the Russian decision takes account of the nature of language which, of course, has no relevance in Uganda.**

**12. The learned Judge erred in not placing sufficient weight upon the fact that the appellant’s trademark “Zantac” is well known in Uganda.**

**13. The learned judge erred in not considering why respondent adapted the trademark Rantac in connection with ranitidine products given the fact that the appellant had for several years prior been leading producer of ranitidine products bearing its trademark “Zantac”.**

**14. The learned judge erred in not placing the onus upon the respondent to prove that its use of the trademark “Rantac” was not likely to be confused with use of the trademark “Zantac” by the appellant”.**

This court was prayed to allow the appeal, set aside the judgement and decree of the High Court and substitute them with orders allowing the appellant’s objection to the respondent’s trademark “Rantac” with costs in this Court, High Court and assistant registrar’s office.

Before I proceed with the evaluation of the evidence on record, I wish to associate my self with the observations of the learned judge who heard the first appeal. Clearly the memorandum of appeal is unnecessarily lengthy, too detailed and also repetitive. Some grounds are narrative and border on submissions. **Rule 85 of the Rules of this court** requires parties to comply with the following:-

**“(1) A memorandum of Appeal shall set forth concisely and under distinct heads, without argument or narrative, the grounds of objection to the decision appealed against specifying the points which it is proposed to ask court to make”**

That, hence, explains why counsel for the appellant argued most grounds together. He argued grounds 1, 2, 4, and 5 together, grounds, 3 and 6 together, 7, 8 together, ground 9, separately, 10 and 11 separately and 12, 13 and 14 together. Apparently Mr. Muzamiru Kibedi representing the respondent followed the same order.

Following a similar approach to the one adopted by the learned judge in the High Court I do not propose to strictly follow the manner and order which both counsel for the parties adopted. I think the complaints raised

in the memorandum of appeal can be summarized in a few grounds, as there is a lot of overlapping.

The gist of the complaint in grounds 1, 2, 3, 4, 5 and 6 is that the learned judge failed to make proper evaluation of the evidence. She, instead adopted wrongful procedures and based her judgement on extraneous matters and speculation. Counsel for the respondent apparently conceded to the procedural irregularities complained of by the appellant but he submitted that they were not detrimental in that they did not cause a miscarriage of justice. Further if there was anybody to blame it was the appellant itself.

I accept the submission by counsel for the appellant that the assistant registrar should not have admitted late filing of the affidavit deposed to by Dr. Madhuklal Mansukhad Doshi after the closing of the pleadings. Worse still she should not have denied the appellant to put in a reply or comment on it. The learned judge should not have confirmed the assistant registrar's decision. Clearly that was a violation of the Rules of natural justice namely **"Audi alteram partem"** (Hear the other side). No man should be condemned unheard.

I agree with the learned judge on the position of law that, the appellate court would not interfere with the exercise of the discretionary powers of trial court if they were properly exercised. In the instant case the learned judge in her judgement explained that she was not persuaded that the omission to give the appellant opportunity to reply or comment on the affidavit caused a miscarriage of justice. I am unable to agree with the aforesaid holding of the learned judge for the reasons stated above. The Assistant Registrar's discretionary powers to admit late filing of the document complained of were not judiciously exercised. In my view failure to afford the appellant opportunity to file a reply or comment on it, was prejudicial to the appellant's case especially as the assistant registrar



partially relied on it to reject its objection. The aforesaid examination has taken care of grounds, 1, 2, 3, 4, 5, and 6, which must succeed.

For convenience I will next deal with grounds 10 and 11 complaining of the interpretation of the agreement entered into by the parties on 3<sup>rd</sup> April, 1992 and the holding that the decision of **“Appellation Chamber of Rospatent in Russia”** was persuasive in Uganda. In agreement with the finding of the assistant registrar the learned judge on appeal also believed that the agreement reached between the appellant and respondent indicated that the trademarks namely **“Rantac”** and **“Zantac”** co-existed in India. A close examination of the assistant registrar’s Ruling and learned judge’s judgement reveals that the decision to reject the objection is based mainly on their interpretation of the agreement between the parties reached in India. The assistant registrar for example had the following to say.

***“Having considered the submissions and evidence produced by both parties I am convinced that the two trademarks be allowed to co-exist in Uganda”***

Elsewhere in the Ruling she stated that: -

***“Had it not been that Glaxo Group Limited allowed J.B. Chemicals and Pharmaceutical Ltd in India to have their trademarks to co-exist there would be no problem to refuse “Rantac” from being registered as a trademark in Uganda. What the opponents did in India they may do so in Uganda”.***

In agreement with the Assistant Registrar the learned judge in her judgement, pointed out inter alia as follows:-

***“The appellant allowed the respondent to register the disputed trademark in India and the two trademarks have co-existed without causing confusion among consumers. Although the agreement was confined to India alone, it was in my view an acknowledgement on the part of the appellant that the two trademarks can co-exist. I do not think the Registrar was wrong in her conclusion or that the reasons she gave were untenable. I, therefore, uphold her reasons for rejecting the appellant’s objections to registration of the respondent’s trademark”***

Counsel for the appellant vehemently argued that the agreement between the parties was restricted to India, which was not disputed by the respondent. However, it was pointed out that conditions and the circumstances in India were different from those of Uganda. There were other considerations that persuaded the parties to reach the agreement in “India”. It is denied as confirmed by the learned judge that the agreement was also an acknowledgement or admission by the appellant that ‘**Rantac**’ and ‘**Zantac**’ are not confusingly or deceptively similar or identical with each other”.

As stated in the statutory declaration of Lesley Jane Edwards the agreement, annexure Les 36, contracted in India reflected a settlement of numerous disputes between the parties. Further the appellant did not use the trademark “**Zantac**” in India. Its ranitidine products were sold under the trademark “**Zinetac**” which is different from “**Zantac**”. I also believe the appellant that the conditions and circumstances in Uganda are not exactly the same as those pertaining in India. In view of the aforesaid it was wrong to interpret the agreement as an admission on the part of the appellant that there is

no confusion between the two trademarks. Ground number 10 must succeed.

With regard to the criticism of the learned judge to uphold the Assistant Registrar's finding that the decision of **“the Appellation Chamber of Rospatent in Russia”** was persuasive in Uganda I see no reason for faulting the learned judge. In agreement with her, the assistant registrar would be covered by **S.49 of the Trademark Act**, which provides as follows: -

***“In any action or proceedings relating to a trademark or trade name, the court or registrar shall admit evidence of the usage of trade concerned and any relevant trademark or trade name or get up legitimately used by other persons”.***

The aforesaid provisions of the law are clear and self-explanatory. Further it is worthwhile pointing out that the issue here was not enforcement but the court was seeking guidance, which is not binding.

Further although the Russian authorities granted the permission to register **“Rantac”** as a trademark, the appellant did not accept it. It has appealed against the decision. In any case it is my view that both parties could do without the decision of the Russian Court. In the circumstances of this appeal it does not add much to either side. It could be dispensed with.

On grounds 7 and 8, it was the strong contention of counsel for the appellant that **“Zantac”** and **“Rantac”** trademarks are difficult to differentiate. He relied on the case of **Zeneca Ltd versus Vivi Enterprises Civil Suit No.842/94** decided by\_Hon. C.K. Byamugisha,

J, as she then was who also heard the first appeal in this case. Similar to this appeal the complaint in that suit was trademark infringement and again in respect of sale of drugs. The learned judge in that case found among other things that: -

***“There is no doubt that the name “Vetrax” so resembles the name of “Ketrax” that it is likely to cause confusion in the mind of the consumer”.***

Turning to the present appeal the words **“Zantac”** and **“Rantac”** differ only by one letter “Z” and “R”, leaving the remaining syllables identical. It is not disputed that **“Zantac”** has been in existence for over 15 years and covers the same products as **“Rantac”**.

I am mindful of the argument that the trademark in dispute is in respect of classified drugs, which have restrictions including prescription but that was not one of the considerations and was not relied on. The court as already indicated relied heavily on the agreement, which I think was interpreted wrongly in my view. As the evidence stands on record, I agree that the likelihood of causing confusion or deception is strong and on high side. Grounds No.7 and 8 must succeed.

With regard to ground 9, the learned judge was criticized for upholding the Assistant Registrar’s finding that the registration of **“Rantac”** the respondent’s trademark contravened **Sections 14 and 15 of the Trademark Act**

In addition to the Assistant Registrar’s finding that the appellant agreed to co-existence she also invoked her discretionary powers under **Section 15 (2) of the Trademark Act** which reads as follows:-

***“In case of honest concurrent use of other special circumstances which in the opinion of the court or registrar make it proper so to do, the court or the registrar may permit the registration of trademarks that are identical or nearly resemble each other in respect of the same goods by more than one proprietor subject to such conditions and limitations, if any, as the court or registrar as the case may be, may think it is right to impose”.***

In her opinion the assistant registrar found this a proper case in which to invoke her discretionary powers under the Act. The reasons she gave were that there were special circumstances namely the co-existence of the two trademarks, India and Russia. Further she pointed out that the appellant had not adduced evidence to suggest or indicate that confusion ***“was ever created in the minds of the consumers about the two trademarks and their products.”*** She, therefore, concluded that the two trademarks may co-exist. Once again the learned judge in her judgement on appeal found no convincing reason to interfere with the exercise of the registrar’s discretionary powers. Alive to the position of the law, namely **Section 15 (2) of the Trademark Act**, she concurred with her that she was seized with discretionary powers to permit registration of identical trademarks in respect of the same goods, in special circumstance. Addressing herself to the court’s discretionary powers, the learned judge said inter alia that:-

***“In exercising discretionary powers, the court or judicial body is enjoined not to act arbitrary, fancifully or unreasonably.....The judgement has to be sound with regard to what is right under the circumstances as the case may be”***

She did not find any evidence to show that the registrar abused her powers. With respect I do not agree with the learned judge that there were special circumstances to justify the exercise of the registrar's discretionary powers. From our earlier comments we did not find any evidence to prove that the appellant agreed to or condoned or even tolerated to co-existence of the two trademarks in India or the circumstances in which the agreement was made were similar to those in Uganda. The trade name used in India was "Zinetac" and not "Zantac".

With regard to the failure by the appellant to adduce evidence to suggest or indicate that confusion was ever created in the minds of the consumers about the two trades and their products, "**Rantac**" had never been heard of in Uganda. The respondent was seeking its registration when the appellant filed "objection" to it. It was non-existent in Uganda. There is no way, the appellant would have adduced the evidence, mentioned by the Assistant Registrar as the said trade mark was unknown to the consumers and purchasers in this country. I do not see any special circumstances to support the registrar's decision to allow registration of "Rantac" as the respondent's trademark.

On the grounds so far considered by this court the appellant's appeal succeeds. I do not find it necessary to proceed with the remaining grounds namely 12, 13 and 14. In the premises I would allow this appeal with costs, in this court and those below. Since the Hon. Justices on the coram namely Okello J.A and Twinomujuni J.A have a similar view, the appeal is allowed. The judgement of the High Court and the

Ruling of the assistant registrar of trademarks are set aside together with their orders.

**Injunction**

The registrar of Trademarks is hereby directed not to register “Rantac” as it’s trademark under the Trademarks Act of Uganda.

Dated at Kampala, this .....22<sup>nd</sup>.....day of .....June.....2004.

**L.E.M. MUKASA-KIKONYOGO**  
**HON.DEPUTY CHIEF JUSTICE**