

**THE REPUBLIC OF UGANDA,**

**IN THE HIGH COURT OF UGANDA AT KAMPALA**

**(COMMERCIAL DIVISION)**

**CIVIL APPEAL NO 13 OF 2015**

**[Arising from the decision of the Registrar of Trademarks dated 21<sup>st</sup> May 2015 in the matter of a trademark opposition lodged by Mandela Auto Spares Parts Ltd To the Registrar of Trademarks. Application No. 48062/2013 'JAVA HOUSE AND JAVA SUN' and trademark application No 48063 'NAIROBI JAVA HOUSE' In Class 43 in the name of NAIROBI JAVA HOUSE LTD]**

**NAIROBI JAVA HOUSE LTD} .....APPELLANT**

**VS**

**MANDELA AUTO SPARES LTD} .....RESPONDENT**

**BEFORE HON. MR. JUSTICE CHRISTOPHER MADRAMA IZAMA**

**JUDGMENT**

The Appellant commenced this appeal under section 66 of the Trademarks Act 2010 and Regulation 90 of the Trademarks Regulations, 2012 for orders that:

- a. The Court sets aside the decision of the Registrar of Trademarks dated 21<sup>st</sup> of May 2015 in which the Registrar upheld a trademark opposition filed by Mandela Auto Spares and refused the application for registration of trademark application number 48062/2013 "Java House and Java Sun" and trademark application number 48063/2013 "Nairobi Java House" in class 43; and
- b. The Court issues a consequential order compelling the Registrar of Trademarks to allow trademark application number 48062/2013 "Java House and Java Sun" and trademark application number 48063/2013 "Nairobi Java House" to proceed registration; and
- c. Costs of the appeal be provided for.

The grounds in support of the appeal are contained in the affidavit in support sworn by Mr Michael Mafabi of Messieurs Sebalu and Lule advocates and a supplementary affidavit in support sworn by Mr Kevin Ashley, Group Chief Executive Officer of the Appellant and are briefly as follows:

1. The Registrar of Trademarks erred in law and fact when he failed to properly evaluate the evidence on record leading to a distinct and material error in refusing registration of the Appellant's trademarks.
2. The Registrar of Trademarks ("the Registrar ") committed a distinct and material error of evaluation and principle in finding that the word 'Java' is not a common English noun that is synonymous with the business of coffee shops and restaurants.
3. The Registrar of Trademarks committed a distinct and material error of evaluation and principle in not properly construing the relationship between the dictionary meaning of the word 'Java' and the commercial usage of the word 'Java'.
4. The Registrar of Trademarks committed a distinct and material error of evaluation and principle in failing to recognise that the Appellant seeks to use the word 'Java' in the course of trade in a disclaimed and non-exclusive manner.
5. The Registrar of Trademarks committed a distinct and material error of evaluation and principle in finding that a likelihood of confusion would exist as to the source of origin of the services provided by the Appellant and Respondent.
6. The Registrar of Trademarks committed a distinct and material error of evaluation and principle in formulating a narrow construction of the reasonable consumer test, and resultantly arrived at the erroneous conclusion that a likelihood of confusion exists.
7. The Registrar of Trademarks exercised his discretion injudiciously in refusing the registration of Appellant's trademarks leading to a miscarriage of justice.
8. The Registrar of Trademarks committed a distinct and material error of evaluation and principle in finding that the Applicants and Respondent's trademarks are not capable of honest concurrent usage.
9. The Registrar of Trademarks failed to assess and determine that the public interest is not served when the legitimate commercial enterprise is barred from exploiting its trade descriptive, and that the use of trademarks must not be used by one entity to stifle genuine trade competition.

The affidavit in support of the appeal primarily gives the facts of the dispute which will be considered from the submissions of Counsel. The appeal is supported by the affidavit of Mr Michael Mafabi and the supplementary affidavit of Mr Kevin Ashley. In the affidavit in reply to the notice of motion in opposing the grounds of appeal is the affidavit of Mr Yasin Ahmed, the Finance/Director of Mandela Auto Spares Ltd. The Respondent is the registered proprietor of trademark number 40162 registered in class 30, trademark number 47765 registered in class 21, trademark number 47766 registered in class 32, trademark number 47767 register the transfer to the and the word acronym 'Cafe Javas'. On the basis of being duly registered trademarks, the Respondent successfully opposed the application for registration by extension of the Appellants proposed trademark under the style of 'Nairobi Java house' before the Assistant Registrar of Trademarks in Uganda Registration Services Bureau for the reasons that are contained in the decision appealed against. The Respondent opposed the appeal and intends to defend the decision of the Assistant Registrar, Trademarks.

The Appellant's sought to amend the Memorandum of Appeal in Miscellaneous Application Number 580 of 2015 and application was dismissed on 27 August 2015. The court was addressed in written submissions. In the appeal Counsel James Mukasa Sebugenyi of Messieurs Sebalu and Lule advocates represented the Appellant while Counsel Alex Rezida represented the Respondent.

The Appellant's written submissions in support of the appeal is that the appeal is against the decision of the Assistant Registrar of Trademarks also referred to as the "Assistant Registrar" dated 21<sup>st</sup> of May 2015 in relation to trademark opposition proceedings filed by Mandela Auto Spares Ltd, the Respondent. The proceedings were against the registration of trademark application number 48062/2013 'Java House and Java Sun' and trademark application number 48063/2013 'Nairobi Java house' which marks are the Appellant's trademarks in the name of the Appellant. In the ruling or decision the Assistant Registrar upheld the objection of the Respondent and found that the proposed registration of the Appellant's trademarks would lead to confusion in the marketplace.

The Appellant proposed to submit on grounds 1, 2, 3, 4, 5, 6 and 7 of the notice of motion and proposed that the grounds 8 and 9 would not be addressed in light of the finding of the court in the ruling dated 27<sup>th</sup> of August 2015 High Court Miscellaneous Application No 580 of 2015

between the parties. The ruling was to the effect that the Appellant could reformulate its grounds of appeal provided the substance of the grounds in the notice of motion is maintained. In the premises the Appellants' Counsel merged arguments under grounds 1, 2, 3, 4, 5, 6 and 7 in the following heads of argument:

1.4.1 The Assistant Registrar's failure properly to compare the respective signs and marks, and specifically his failure to compare them (a) aurally at all, and (b) conceptually as a whole;

1.4.2 The Assistant Registrar's error in treating the Appellant's trademarks and trademark numbers 40612, 47765, 47766 and 47767 'Cafe Javas' ("the Respondent's trademarks") as mere word marks;

1.4.3 The Assistant Registrars failure to hold that the word 'Java' was descriptive and either not distinctive or of low distinctiveness in relation to the services the subject of the application and failure properly to address the fact that the word 'Java' had therefore correctly been disclaimed;

1.4.4 The Assistant Registrar's failure to find that there was no material similarity between the Appellant's mark and the Respondents trademarks that would lead to likelihood of deception and/or likelihood of confusion within the average consumer of the respective goods and services covered by the Appellant's trademarks and the Respondent's trademarks;

1.4.5 The Assistant Registrar's erroneous consideration of irrelevant matters when assessing whether there was a likelihood of confusion, and in particular erroneously giving any weight to the "factual evidence of confusion" and the similarity in the getup of the actual premises and businesses operated by the Appellant and the Respondent respectively; and

1.4.6 The Assistant Registrar's erroneous reliance on an evaluation of inadmissible evidence, thereby leading to the wrongful refusal of registration of the Appellant's trademarks.

The Appellant's Counsel submitted that an appeal against the decision of the Registrar of Trademarks is to be allowed where it is shown that the Registrar had committed a distinct and material error of law, principle or evaluation, and where there has been an improper exercise of discretionary powers.

Furthermore Counsel submitted that under the Judicature Act Cap 13 laws of Uganda, in so far as the written law does not extend or apply, English common law and procedure was applicable. He lamented the dearth of authorities on the issue in Uganda. He submitted that the court should assess similarity between the registered mark and the likelihood of confusion using the tests set up by Kitchin LJ of the Court of Appeal of England and Wales in the Specsavers International Health Care Ltd versus Asda Stores Ltd [2012] EWCA Civ 24 at paragraphs 51 and 52. It was held that the likelihood of confusion must be appreciated globally, taking account all relevant factors and the matter must be judged through the eyes of the average consumer of the goods and services in question, who is deemed to be reasonably well-informed and reasonably circumspect and observant. There is a greater likelihood of confusion where the earlier Mark has a highly distinctive character either per se because of the use that has been made of it.

The Assistant Registrar correctly set out the test in paragraph 34 of the decision but failed to properly apply the test to the facts of the case before him. Secondly the Assistant Registrar erred in taking a heavily restrictive approach and failed to recognise that the principles only constitute a convenient summary. He erred in failing to have regard in detail to the particular body of case law which applied. There were material errors of principles in his assessment of the legal issues and evidence and ultimately arriving at the erroneous conclusion to refuse registration of the Appellant's trademarks.

Counsel submitted that the Assistant Registrar failed to properly compare the respective marks aurally at all and conceptually as a whole. The error is in treating the Appellant's trademarks and the Respondent's trademarks as mere word marks. As a result he erroneously arrived at the conclusion that the Appellant's trademarks and the Respondent's trademarks are confusingly similar. Counsel went ahead to compare the competing marks which formed the subject matter of opposition proceedings. He submitted that section 25 (2) of the Trademarks Act provides that a trademark relating to services to be registered in respect of services or description of services that is identical with or nearly resemble the trademark belonging to a defendant, and already on the register in respect of the same services and same description of services. Section 25 (2) of the Ugandan Trademarks Act is similar to section 5 (2) (b) of the Trademarks Act 1994 of the United Kingdom. This section provides that a trademark shall not be registered where it is similar to an earlier trademark for services identical with or similar to those for which the earlier

trademark is protected where there would be a likelihood of confusion on the part of the public which includes a likelihood of association with the earlier trademark.

In his analysis of the two competing marks the Assistant Registrar correctly observed that when placed side-by-side; there was no visual resemblance between marks.

The Registrar was supposed to assess the likelihood of confusion globally, taking into account all relevant factors. Secondly the Registrar was supposed to appreciate the fact that an average consumer perceives a mark as a whole and does not proceed to analyse its various details. Thirdly to recognise that the visual, aural and conceptual similarities of two competing works must be assessed by reference to the overall impressions created by the marks bearing in mind the distinctive and dominant components but it is only when all other components of the complex matter are negligible that it is permissible to make the comparison solely on the basis of the dominant elements.

The Registrar misapplied the test in the evaluation of the word "Java" which is not a dominant element in the Respondents trademarks 'Cafe Javas' because it simply does not exist as a dominant element. It is an element in the Appellant's trademark and the dominant element is actually the 'Sun' device. In visual comparison of the Appellant's trademarks and the Respondents trademarks does not support the finding of the Assistant Registrar and therefore the registration of the Appellants trademark would not offend section 25 (2) of the Trademarks Act.

#### Aural comparison

The Appellant's Counsel relies on the case of the **Office of Harmonisation in the Internal Market (OHIM) case C – 334/05 – P** where the Court of Justice of the European Union decided that in assessing two competing marks and the incident of likelihood of confusion, the Applicant must carry out a global assessment of the likelihood of confusion of the marks in issue. He or she does this in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component or a composite trademark and comparing it with another one. The comparison must be made by examining each of the marks in question as a whole. The Registrar erred in law by failing to consider the extent to which the two marks would be used or perceived by the consumer aurally. The Registrar could have arrived at the phonetics of the two marks. The Appellants Counsel went ahead to

demonstrate the phonetics of the two competing trademarks. The Appellant's Counsel submitted that the Assistant Registrar failed to find that the respective marks did not resemble each other aurally or phonetically

#### Conceptual comparison

The Appellant's Counsel further contended that the Assistant Registrar held that there were some conceptual similarities in the word 'Java' in the dominating element. However this was an error because the key starting point is not mere word marks. The marks should be viewed as a whole and not by reference to one element. In other words all the words have to be considered together.

The Appellants Counsel further criticises the Assistant Registrar for considering both word marks to contain additional matter and therefore not being distinctive incident considering the whole trademark. He contended that the Assistant Registrar completely ignore the visual images which contributed to the conceptual meaning of each of the respective marks. Furthermore the Assistant Registrar observed that the words "Nairobi", "house" and "coffee and tea" are all subject to disclaims because they are all, one in the provision of specified services or otherwise not distinctive. From those premises he held that it is the word "Java" which gives the Appellant's mark the capability/adaptability to distinguish, and the word "Java" in the application was unnecessarily disclaimed. The Assistant Registrar failed to observe the inconsistency of the finding that the word "Java" is also at least as common as "Nairobi" and "house" in relation to such services and "Java" was also disclaimed by the Appellant and yet the Assistant Registrar held that the word "Java" is a distinctive word.

The Appellants Counsel further submitted on the following issues:

The Assistant Registrar's failure to hold that the word "Java" was descriptive and either not distinctive or of low distinctiveness in relation to the services, the subject matter of the application and his failure properly to address the fact that the word had therefore correctly been disclaimed.

Secondly the Assistant Registrar's failure to find that there was no material similarity between the Appellant's Mark and the Respondent's trademark.

On the above grounds the Appellant's Counsel submitted that the Assistant Registrar committed a further distinct error in failing to find that the word "Java" is descriptive in relation to the services and had therefore been correctly disclaimed. This is based on the failure to appreciate the status of the word "Java" as a common noun that is synonymous with the business of coffee shops and restaurants. Secondly the Assistant Registrar failed to recognise that the Appellant seeks to register and use the Appellant's trademark in a disclaimed and non-exclusive manner.

Counsel further submitted on the Appellant's entitlement to register the word 'Java 'in its own right and as a descriptive word.

The Appellants Counsel submitted that the Assistant Registrar misconstrued his arguments. The Appellant had argued that the word is a trade descriptive word. The Appellant never sought to contend that the word "Java" was generic in respect of the goods and services for which registration was sought. However in the decision, the Assistant Registrar arrived at the conclusion that the word Java is not a generic term in respect of the goods and services for which registration was sought. He failed to appreciate the Appellant's contention and further erred in law failing to have regard to the meaning, nature and effect of a descriptive word within a trademark. Descriptive marks are marks that describe either the goods or a characteristic of the goods in its primary sense. Generic terms as secondary meaning words that are accepted and recognised description of the class of goods or services having displays of the primary meaning over a period of time. The Appellant had at all material times relied on the word "Java" as a descriptive term.

The Appellants Counsel further submitted that the word "java" is a common noun and a trade descriptive word which qualify for registration subject to restrictions contained in sections 19 and 26 of the Trademarks Act. Secondly the word "Java" is an English word and not an invented word. It has three well-known meanings. The first meaning is that it means "coffee". The second is that "Java" refers to the large island in Malay Archipelago forming part of Indonesia. Thirdly the word "Java" refers to a general-purpose programming designed to produce programmes that would run on any computer system.

On those grounds contrary to the reasoning of the Assistant Registrar, the Appellant has not appropriated the word "Java" from the Respondents "cafe Java's" trademark. The Appellant



without modification applied it as an English noun in the course of trade and in the trademark law sense and has applied it descriptively as a component part to a more complex mark which is in totality distinctive of the goods and services for which registration is sought. The whole controversy was answered by section 26 of the Trademarks Act which provides that the trademark application which incorporates matter that is, to the provision of services of the description or otherwise of a non-distinctive character qualifies for registration provided that it is appropriately disclaimed. The word itself is incapable of being considered as being distinctive in relation to the goods and services. Likewise any similarity between marks which depends solely upon such a word cannot act as being relevant confusing subject matter when considering a likelihood of confusion.

The Appellant's Counsel further submitted that there was no similarity between the Appellant's and Respondents trademarks.

Counsel for the Appellant reiterated submissions that the Registrar had a duty to consider the trademarks as a whole in making an assessment of the issue of whether there was similarity between the marks. He added the case of **Bimbo versus Office for Harmonisation in the Internal Market C – 591/12 P**.

Furthermore the Appellants Counsel submitted on the question of the importance of disclaimer and registration in Part B.

The Appellant's Counsel submitted that the Appellants trademarks qualify for registration in their own right under Part B of the register on account of being appropriately disclaimed in accordance with section 26 of the Trademarks Act. The Assistant Registrar overlooked disclaimers. Section 10 (2) of the Trademarks Act provides that a trademark shall be registered in Part B of the register where it is capable of distinguishing services, or where the trademark is supposed to be registered subject to limitations in relation to use within the context of the registration. Section 19 of the Trademarks Act provides that where a trademark contains matters, the provision of services of that description or otherwise of non-distinctive character, the owner shall disclaim the right of exclusive usage to all or a portion of the trademark to which the proprietor is not entitled. Part B extends registration to marks which lack sufficient distinctiveness to be included in part A which requires inherent distinctiveness. The disclaimer

under section 19 is an important admission by the Appellant that the Appellant's trademarks contained some, matter that the use of the disclaimed the matter by another party cannot without other attributes be sufficient to give rise to a likelihood of confusion with the concerned mark. The only similarity between the Appellant's trademark and the Respondent's trademark is in the word "Java". Counsel further submitted that Part B only required the mark to be capable of distinguishing the Appellant services from those of any other persons in the course of business. When it is considered as a whole the Appellants trademark with the distinctive "Sun" devise is capable of distinguishing the services of the Appellant.

The Appellants Counsel further submitted on the issue of whether the Assistant Registrar made an erroneous consideration of the relevant matters in assessing whether there was a likelihood of confusion. Secondly there was an erroneous reliance on inadmissible evidence by the Assistant Registrar.

Counsel contended that the Assistant Registrar did not follow the test in *Specsavers* (supra) and committed a distinct error of law and principle by taking into account irrelevant matters when evaluating the possibility of a likelihood of confusion and thereby arrived at a wrong conclusion that a likelihood of confusion exists. The Assistant Registrar gave evidence filed by the opposition comprising a restaurant review of the Appellant's enterprise published in the *New Vision* on 27 June 2014 and a declaration by one Mr Andrew Senyondwa Tendo. Both in the newspaper article and the declaration believe that one of the Appellant's establishments was a branch or sister outlet of one of the Respondent establishments. In the premises the Assistant Registrar found that the evidence filed was representative of the confusion which a reasonable member of the public would be expected to have when considering the two competing marks.

The Appellants Counsel further submitted that newspaper articles are inadmissible as hearsay evidence. He relied on the Supreme Court case of **Attorney General versus Major General David Tinyefuza SCCA number 1 of 1997** per Oder JSC.

Furthermore he submitted that the evidence related to passing off and not a registered trademark confusion he submitted that the question of whether one word is likely to cause confusion with another is a matter upon which the judge must make up his mind and which he and he alone has to decide. He cannot abdicate the decision in that matter to witnesses before him.

The Appellant's Counsel further contended that the Assistant Registrar erred in relying on extrinsic evidence relating to a passing off claim which was not relevant to proceedings concerning application for entry onto the trademarks register. He submitted that the legal question to be answered in a trademark registration and opposition proceeding is different from the legal questions to be answered in a passing off claim. In opposition proceedings against the registration of a trademark the question to be answered relates to similarity of the registered Mark to that sought to be registered.

The Appellants Counsel further submitted on the similarity of the getup of the parties and respective establishments. The Assistant Registrar took into account similarity in the getup of the establishments operated by the Appellant and the Respondent as being relevant surrounding circumstances which would lead to a likelihood of confusion. In particular he considered the similarity of the decor, the sitting arrangements, menus and standard of service. He submitted that it was an error of law to consider extrinsic evidence/marks such as associated advertising materials for packaging which may cause confusion. He further submitted that the circumstances the Registrar took into account were relevant to a passing off claim and not opposition to the registration of a trademark.

Finally the Appellant's Counsel contended that the Registrar heavily relied on the views of two individuals whose views were not representative of potential consumers.

In conclusion the Appellants Counsel submitted that the Registrar committed distinct material errors in law and principle and evaluation team:

- Failing properly to compare the Appellants trademark and the Respondents trademarks, and specifically in failing to compare them (a) aurally at all; and (b) conceptually as a whole;
- Wrongly determining the Appellant's trademarks and the Respondents trademarks are each mere word marks.
- Failing to hold that the word "Java" was descriptive, and either not distinctive or of low distinctiveness in relation to the services, the subject of the application, and failing properly to address the fact that the word "Java" was therefore correctly disclaimed and qualifies for registration under section 19 and 26 of the Trademarks Act 2010.

- Failing to find that there was no material similarity between the Appellants trademarks and the Respondents trademarks; and
- Taking into account irrelevant matters and relying on inadmissible evidence when assessing whether there was a likelihood of confusion, thereby arriving at the wrong conclusion that confusion exists.

In the premises the Appellant prays that the appeal is allowed and the court exercises discretion under section 66 (3) of the Trademarks Act to set aside the decision of the Assistant Registrar with costs to the Appellant.

In reply the Respondent's Counsel opposed the appeal. He submitted that on the 21<sup>st</sup> of May 2015 the Assistant Registrar delivered a ruling upholding the Respondent's objection to the Appellant's application for registration of its intended trademark. On 4 June 2015 the Appellant appealed the decision on 9 grounds. In Miscellaneous Application Number 580 of 2015 the Appellant sought to amend the grounds of appeal and the application was not allowed. However the Appellant has gone ahead to abandon its grounds of appeal and carry on with the very fear expressed by the court that it may be introducing new grounds of appeal. Consequently the Respondent's Counsel objected to the grounds submitted on as being a departure from the notice of motion which contains the grounds of the appeal without the leave of court. He contends that the submissions of the Appellant's Counsel do not fall under the grounds of the notice of motion giving the grounds of appeal. He contends that the notice of motion is concerned with the following matters:

- The meaning of the word Java
- The source of origin of services.
- Reasonable consumer.
- Judicious exercise of discretion.
- Concurrent usage.
- Trade competition.

The departure is prejudicial to the Respondent because the affidavit in reply to the notice of motion giving the grounds of appeal is specific to those grounds. In the premises the Respondent's Counsel prays that the appeal is struck out. Without prejudice Counsel submitted

that the court does not have to heavily rely on English law bearing in mind that the principles such as discernment of consumers and literacy levels of a mainly informed population in an English city cannot compare to that of the Ugandan situation. He relied on the case of **Glaxo Group Ltd versus JB Chemicals and Pharmaceuticals Ltd Court of Appeal of Uganda Civil Appeal Number 68 of 2002** where Honourable Lady Justice Mukasa Kikonyogo DCJ held that the conditions in circumstances in Uganda are not exactly the same as pertaining to that in India. He therefore contended that the local context was very significant to in the case of **Office for Harmonisation in the Internal Market (Trades Acts and Designs) (OHIM) versus Shaker di L Laudato & C Sas** cited by the Appellant. The court while applauding the court of first instance for taking cognizance of the Spanish people held that what needed to be considered in likelihood of confusion is the views of part of the public in the territory where the earlier trademark is protected. He prayed that any reference to "public", "average consumer" whenever used in the appeal should be put in its proper context.

He submitted that real contention in the appeal is the use of the word "Javas" within the trademark despite the attempt by the Appellant to divert its dominant effect. In the Appellant's Counsel's submissions before the Registrar of Trademarks he wrote that fundamentally the basis of the objection is the registration and use by the Applicant of the word Java in the Applicant's trademarks. Had the Appellant commenced a similar business as carried on by the opponent by any other name, there would be no opposition to the Mark. The Respondent's Counsel submitted that the solution would be for the Appellant to carry on similar business by any other name.

Secondly the matter is about general principles in determining likelihood of confusion. He contends that the Registrar was very much alive to the principles and these principles guided his findings. The Registrar did not have to repeat every aspect of the principles. With regard to the case of the **Specsavers International Healthcare Ltd versus Asda stores Ltd** (supra) the principles set out in the case are the same the Registrar set out in his ruling. However the Appellant abridged the principles and left out certain key considerations which the Respondents Counsel set out in the written submissions. There is no need to repeat them here.

He argued that the omitted parts are significant in that the word Java is the Respondent's trademark and is an element that retains an independent distinctive role. A lesser degree of similarity between the goods and services may be offset by a greater degree of similarity

between the marks and vice versa. He contended that the principle of offsetting a lesser similarity between marks is pivotal to this case.

The Respondent's Counsel further submitted that there is a 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. For emphasis the Respondent has used the Javas trademark for over six years in Uganda in five different locations in Kampala and one in Entebbe. There is no evidence that in Uganda anyone else had used the word Cafe Javas in relation to the provision of foods and drinks as envisaged by section 43 of the Trademarks Act.

Counsel further relied on the case of Specsavers (*supra*) for the holding that the court must consider the matter from the perspective of the average consumer of the goods or services in question and must take into account all circumstances of that use likely to operate in that average consumer's mind in considering the sign and the impression it is likely to make on him. The sign should not be considered out of context. Furthermore the reputation of an earlier mark is to be taken into account when determining a likelihood of confusion. In particular the more distinctive the earlier Mark the greater the risk of confusion. In the premises the Respondents undisputed six years reputation for 5 outlets in Kampala and 1 in Entebbe warrants a broader protection on account of its distinctiveness.

Counsel further submitted that the emphasis on taking into account the distinctive and dominant features and category of goods and services in question and the circumstances in which they are marked while applying the global test runs through all the authorities cited. Furthermore section 16 (2) of the Trademarks Act enjoined the Registrar of Trademarks to admit evidence of business usage in such actions and this was done.

The Respondent's Counsel submitted that the above overview applies widely to the appeal. The first two grounds argued together by the Appellant are not part of the grounds of appeal. They raise issues of aural and conceptual comparison as a whole and further that the Registrar treated the trademark as mere word marks. Contrary to the submission the Registrar set out the test comprehensively in paragraph 34 of the ruling and in particular the Registrar was alive to the visual, aural and conceptual similarities of the marks. Furthermore the Appellant did not raise the pronunciation of the mark before the Registrar as they have done in this appeal. The fact that the

Registrar resolved issues and submissions before him does not take away the fact that he was alive to the test as a whole.

The argument that the Trademarks Act of Uganda does not include the notion of association is untenable. What is key is that it does not exclude association. The Act does not attempt to give examples of what may be included unlike the UK Act which gives an example of what is included by use of the phrase "which includes" which phrase simply means that there are other considerations that are included. There is no exhaustive list of what can be included.

As far as arguments on visual comparison are concerned, the Respondents Counsel submitted that the word "Javas" is distinct and prominent in the Appellant trademarks. "Cafe Javas" is part of the composite mark with distinct words i.e. "Cafe" and "Javas" the Respondent rightly disclaimed the word "cafe" as noted by the Registrar. The distinguished colour features of the two words make them stand out distinctively. The Registrar's analysis in paragraphs 40 and 41 of the ruling on conceptual similarities falls within the criteria in the Specsavers case (supra) some of which the Appellant's Counsel conveniently left out. The Respondent's Counsel concluded that there is a greater likelihood of confusion because of the use of the trademark by the Respondent in five outlets in Kampala and one in Entebbe. It is within Kampala that the Appellant was to have the confusing Java mark. The word Java in the Appellant's mark is dominant. An attempt by the Appellant to submit that the word "Sun" is the dominant feature in their trademark is untenable. The dominance of the word Java in the Appellant's mark is brought out by the strenuous attempts to have it registered by the Appellant. The Registrar's decision on likelihood of confusion finally was supported by the authorities.

The Respondents Counsel also sought to distinguish the cases of **OHIM vs. Shaker** on the ground that the court found that there was no dominance at a visual level and that was the subject of the appeal. There was no argument in this case regarding pronunciations of the mark. By not mentioning the word aural, it does not mean that the Registrar did not consider it.

The Respondent's Counsel further does not agree that the word "Javas" is absent from the Respondents trademark "CafeJavas". These are words which have been joined. The word "cafe" is a descriptive word. Consequently the joined words cannot be said to be one word from which the word "Java" can be discerned. Secondly Counsel attacked the Appellant's submissions on the

ground of pronunciation as abstract. He contended that the pronunciation of the word "Java" by indigenous Ugandans would vary from region to region.

On the question of conceptual comparison, the Appellant's submissions on the Registrar's analysis on conceptual similarities distort the ruling. The ruling shows that the Appellant's mark comprises of words and the device of a face a red sun on a yellow background. Secondly he sets out the stylised words Cafe javas with cafe in Orange and Java in black as well as the device of a smoking cup in the right-hand corner. From the description of the features of the trademarks in dispute it is sufficient that the Registrar makes the analysis he did having sufficiently compared them conceptually. Finally Counsel submitted that the Registrar was within his right to establish that there was a dominant component in the mark in the word Java.

Concerning the descriptiveness the Respondent's Counsel submitted that the Registrar made a specific finding and rightfully so that the word Java is not descriptive of restaurant activity. This can be found in paragraphs 14 and 16 of the ruling. The Registrar aptly addresses the descriptiveness of Java in relation to a trademark application in class 43 for the provision of food and drink services. Furthermore the Registrar found that the word "Java" which describes coffee cannot be used to describe what coffee as is used for or how it is sold or consumed or other usage. The key word is "describe". The Registrar dealt with descriptiveness properly.

The aspect of the generic reference in the ruling addresses the second and legal ground upon which a party cannot have exclusive protection under the trademark. The Registrar was right and in order to disclose that aspect including section 43 (2) of the Trademarks Act and the authority of *Rewe Zentral vs. OHIM (LITE)* 2002 ERC 11- 705. The Registrar demonstrated that the Respondent's registered trade mark remains protected unless it loses its status by use thereof by third parties. No use by third parties of Javas or Java for restaurant business exists in Uganda so as to make it generic. The Registrar rightly found that the word Java is not descriptive of food and drink service or even the coffeehouse.

The submissions on the dictionary meaning of the noun Java which may mean coffee misconstrues the very notion of trademarks. It trademark is about distinguishing a service as that of its holder but not the service (coffee) itself. Section 1 of the Trademarks Act, Act 17 of 2010 defines trademark as a sign or mark or combination of signs or marks capable of being



represented graphically and capable of distinguishing goods and services of one undertaking from another undertaking. The Respondent further relies on the definition of Lord Templeman in the **Re-Coca-Cola Company Application [1986] All ER 274 at 276**. Counsel further relied on the definition of a trademark by Lord Nicholls in **Scandecor Development AB versus Scandecor Marketing AB [2002] FSR 122** at 33. A Trademark Acts as a badge of origin and stresses that inherent in the definition in the UK Trademarks Act 1994 is the notion that distinctiveness as to business source is the essential function of trademarks. The Respondent's Counsel reiterates that the word Java is a dominant part of the badge of the Respondent for the last six years in the territory of Uganda. Any other entity prominently using it can be mistaken for the one of the Respondent's outlets.

The argument that the word "Java" is a common noun in coffee and trade descriptive is not supported. The word "Java" is not a common noun in Uganda. There is no dictionary meaning that defines Java as a coffee restaurant or a place where food and drink is sold. The dictionary simply defines it as coffee and more colloquially a type of coffee bean. Furthermore nowhere is the word "Java" defined to describe the business of restaurants offering food and drink or even simply a restaurant offering coffee drink so as to describe a service. The use of the word "Java" has not been expressly prohibited by law i.e. in comparison with the word "pretend", "registered", "Red Cross", which are prohibited words.

There are various dictionary words in different languages. For instance the word Java is an island in Indonesia. Having a word in the dictionary does not necessarily make it a common word and no evidence was adduced anywhere to proof, one understanding of that word in Uganda. In the premises the word can be used in a trademark.

Section 26 of the Trademarks Act is inapplicable because the above two tests have not been met. The first test is that the mark must contain matter, and the provision of services. The second test is that the Mark must be of a non-distinctive character. The mark has obtained distinctiveness due to the use by the Respondent for more than six years. In the premises the ruling of the Registrar in declining to apply section 26 of the Trademarks Act 17 of 2010 is well founded on fact and law.

Disclaimer in Part B

On this issue the Respondent's Counsel submitted that the Appellant's submissions on disclaimer are not tenable. There is an undisputed fact that the Respondent is the registered owner of Cafejavas and javas trademarks and has been running the restaurant business under that mark in class 43 for over six years in Kampala and Entebbe. These outlets are commonly referred to as Javas. The word Java incorporated in the Appellant's mark with an intention to use it for similar services as that of the Respondent was right to be rejected through the exercise of the Registrar's discretion. The Appellant did not adduce any evidence upon which the Registrar or any court can rely on to hold and conclude that the word "Java" is descriptive of services of drink and food or cafe. The fallacy of descriptiveness of the word in issue rules out application of section 10 (4), 19 and 26 of the Trademarks Act 2010. The Appellant has further registered the same trademark in Kenya with no disclaimer. The Appellants arguments and therefore meant to abuse the process in Uganda.

Consideration of irrelevant matters:

On this ground of the Respondent's Counsel submitted that the Registrar followed the Trademarks Act including the notion and purpose of trademarks is defined and also applied the principles.

Secondly the Registrar did not make an error in relying on the evidence of two witnesses that consumers could be misled that the Appellant's outlet was economically linked to the Respondent. The Registrar cautioned himself that there were only two witnesses and however went ahead to exercise its discretion after believing them. The Registrar cautiously and fairly considered all the evidence on record. This submission that the registered relied on the New Vision newspaper report is diversionary and misconstrued. This is because the witness did not attribute his belief in the confusion referred to in the newspaper article.

On the use of extrinsic evidence, the Respondent's Counsel contends that the Appellant erroneously faults the Registrar for relying on what he defined as extrinsic evidence. The key principles in determining the likelihood of confusion as demonstrated by the authorities include having regard to all surrounding circumstances. Secondly he considered similarity of service. Thirdly he considered the distinctive character of the mark because of the use that has been made

of it. All of this require evidence and the likelihood to cause confusion and passing off is not a bar to considering such evidence.

The Appellant further unjustifiably submitted that the Registrar took into account the getup of the outlets of the parties. However the authorities demonstrate that in assessing the degree of similarity between marks, the circumstances in which they are marketed is a necessary criterion. There is no authority that lays out exhaustively what surrounding circumstances to include or do not include and each case should be considered on its own merits.

The Appellant further argued that the Registrar failed to properly give weight to the evidence of two natures. The Registrar considered the evidence of two witnesses within the context of a survey report. The two witnesses gave evidence of actual confusion. Where there is actual confusion, the incidence of likely confusion is higher. In the premises the Respondent's Counsel prays that the court upholds the preliminary objections and if not the ruling of the Registrar and dismisses the appeal on grounds with costs.

In rejoinder to the preliminary objections:

The Appellant's Counsel submitted that the reformulation of heads of argument does not amount to a departure of the grounds in the notice of motion. The Respondent deliberately misconstrued the rationale for decision of the court in **HCMA No 580 of 2015 Nairobi Java House Ltd versus Mandela Auto Spares**. The opinion of the court is that the amended notice of motion for consideration reformulated grounds that the Appellant sought to substitute for the initial grounds. The court therefore made the comparison of the grounds in the proposed amendment and the notice of motion. Following the guidance of the court in the ruling, the Appellant's heads of agreement are a subset of the substance of the grounds of appeal.

In rejoinder to the market context submission and the average consumer classification

The Appellant's Counsel submitted that in making the necessary assessment of the likelihood of confusion, the construction of the average consumer is a matter of law. In **Specsavers International Healthcare Ltd versus Asda Stores Ltd [2012] EWCA Civ** at paragraph 51 and 52, the Court of Appeal of England and Wales observed that the general approach to be adopted in assessing the requirement of likelihood of confusion is that the likelihood of confusion must

be appreciated globally, taking account of all relevant factors and 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 presumably circumspect and observant. In the premises the Appellant's Counsel contends that the average consumer is not about nationality but a legal construct. It follows that the average consumer in Uganda being not as well informed is irrelevant to the formulation of who the average consumer is. Where the average consumer has a low-level of literacy, greater emphasis should be put on the visual and aural differentiation between the signs in question rather than the word "Java".

The Appellant further submitted that the Respondent misconstrued the context in which lady justice Mukasa Kikonyogo DCJ in **Glaxo Group Ltd versus JB Chemicals and Pharmaceuticals** held that the conditions and circumstances in Uganda are not being exactly the same as in India. The observation was a specific comment on the circumstances under which the parties to the appeal had reached an agreement in India to use the market in question and not a decision on the nature of the average consumer or the applicable market context.

In rejoinder on evaluation of principles relevant to determining likelihood of confusion in the relation to compensate marks.

The Appellant's Counsel reiterated earlier submissions that the Assistant Registrar misapplied the test in his evaluation and did not conduct a global assessment visual and aural and conceptual but proceeded to erroneously compare one element in the Appellant and Respondent's trademarks.

On the submission that in assessing the comparison tests it is legitimate to take into account the use of the registered mark in the word Javas, the Appellant's Counsel submits that the Specsavers authority is not good authority. On the contrary it requires comparison to be made of the mark as registered against the allegedly confusing sign in the context in which the confusing sign will be used. It is essential that the court should only have regard to the registered mark and the sign is actually used or by analogy the Appellant's trademarks which it seeks to register. I will further consider arguments on the principles of law from the authorities and not need to make reference to the rejoinder on that matter.

As far as the grounds are concerned the Appellant's Counsel essentially reiterated earlier submissions regarding the Assistant Registrar's errors and I will take into account the

submissions amounting to about eight pages which do not need to be reproduced in this judgment.

## **Judgment**

I have carefully considered the appeal and the grounds of appeal set out in the notice of motion. For emphasis the grounds of appeal are reproduced hereunder as follows:

1. The Registrar of Trademarks erred in law and fact when he failed to properly evaluate the evidence on record leading to a distinct and material error in refusing registration of the Appellant's trademarks.
2. The Registrar of Trademarks ("the Registrar ") committed a distinct and material error of evaluation and principle in finding that the word 'Java' is not a common English noun that is synonymous with the business of coffee shops and restaurants.
3. The Registrar of Trademarks committed a distinct and material error of evaluation and principle in not properly construing the relationship between the dictionary meaning of the word 'Java' and the commercial usage of the word 'Java'.
4. The Registrar of Trademarks committed a distinct and material error of evaluation and principle in failing to recognise that the Appellant seeks to use the word 'Java' in the course of trade in a disclaimed and non-exclusive manner.
5. The Registrar of Trademarks committed a distinct and material error of evaluation and principle in finding that a likelihood of confusion would exist as to the source of origin of the services provided by the Appellant and Respondent.
6. The Registrar of Trademarks committed a distinct and material error of evaluation and principle in formulating a narrow construction of the reasonable consumer test, and resultantly arrived at the erroneous conclusion that a likelihood of confusion exists.

7. The Registrar of Trademarks exercised his discretion injudiciously in refusing the registration of Appellant's trademarks leading to a miscarriage of justice.
8. The Registrar of Trademarks committed a distinct and material error of evaluation and principle in finding that the Applicant and Respondent's trademarks are not capable of honest concurrent usage.
9. The Registrar of Trademarks failed to assess and determine that the public interest is not served when the legitimate commercial enterprise is barred from exploiting its trade descriptive, and that the use of trademarks must not be used by one entity to stifle genuine trade competition.

I have carefully considered the pleadings as well as the submissions. The first question is whether in the submissions the Appellant's Counsel substituted the grounds of the appeal to the prejudice of the Respondent. The argument in objection includes the submission that the Respondent in the affidavit in the reply to the notice of motion did not have an opportunity to respond to such new grounds. The Appellant's Counsel submitted the summary of the grounds for overturning the decision of the Registrar of Trademarks as the Registrar:

- Failing properly to compare the Appellant's trademark and the Respondents trademarks, and specifically in failing to compare them (a) aurally at all; and (b) conceptually as a whole;
- Wrongly determining the Appellant's trademarks and the Respondents trademarks are each mere word marks.
- Failing to hold that the word "Java" was descriptive, and either not distinctive or of low distinctiveness in relation to the services the subject of the application, and failing properly to address the fact that the word "Java" had therefore correctly been disclaimed and qualifies for registration under section 19 and 26 of the Trademarks Act 2010.
- Failing to find that there was no material similarity between the Appellant's trademarks and the Respondents trademarks; and

- Taking into account irrelevant matters and relying on inadmissible evidence when assessing whether there was a likelihood of confusion, thereby arriving at the wrong conclusion that confusion exists.

The question for consideration is whether the Appellant argued new grounds of appeal in the submissions. The registration of a trademark is made under section 12 of the Trademarks Act 2010. Section 12 (2) prescribes that an objection to an application for registration which is made by notice shall be in the prescribed manner and include a statement of the grounds of objection. A person aggrieved by the decision of the Registrar on the objection may appeal to the court in the prescribed form. On the hearing of the appeal, any party may with the special leave of the court bring further material for consideration of the court. However section 12 (9) of the Trademarks Act 2010 provides that in an appeal under the section, no further grounds of objection to the registration of a trademark shall be allowed to be taken. The section expressly refers to and forbids further grounds of objection to the application for registration. It envisages an appeal from a decision allowing registration of trademark after objection proceedings. In this case the objection of the Respondent to the Appellant's application was upheld. The Appellant had applied for registration which has been refused and appealed the decision refusing its registration in Uganda. In this appeal therefore the court is considering grounds of objection to the decision refusing registration of the Appellant's trademark rather than an appeal from a decision allowing registration to the grievance of an objector. What is forbidden by section 12 (9) of the Trademarks Act 2010 are arguments on further grounds of objection to the application for registration in addition to the grounds argued and considered before the Registrar.

The appeal is brought under section 66 of the Trademarks Act which gives the jurisdiction of the appellate court. The Chief Justice is required under section 67 in consultation with the Attorney General to make rules as to the practice and procedure to be observed in respect of any jurisdiction exercisable by the High Court.

The question of procedure was exhaustively considered in Miscellaneous Application Number 518 of 2015, an interlocutory application in this appeal. In that application the Appellant had sought to amend the grounds in the notice of motion and the application was refused when I held *inter alia* that:

"Grounds of objection challenge the decision of the Registrar. For that matter another ground of objection cannot be entertained without the leave of court obtained as stipulated under Order 43 rule 2 of the Civil Procedure Rules."

It was my holding that new grounds of appeal cannot be argued without the leave of court. Having considered the submissions of the Appellant's Counsel the question is whether there are any new grounds of appeal in the submissions? Secondly the issue is whether the Respondent's defence has been prejudiced thereby. Ground 1 of the notice of motion is so wide to the extent that it provides that the Registrar of Trademarks erred in law and fact when he failed to properly evaluate the evidence on record leading to a distinct and material error in refusing registration of the Appellant's trademarks. What was the error in law and fact in which the Registrar erred? In my opinion the grounds of failure to compare trademarks globally that is aurally and conceptually may fall under this ground. It is a sub issue which could be formulated under ground one. Secondly ground 2 is about the word "Java" as a common English noun. The submission that the Registrar determined the trademark as mere words would also be argued under that ground. Furthermore the failure to find that the word 'Java' a descriptive word or not distinctive is a subset of ground 2 of the notice of motion. The question of disclaimer is raised in a ground 4 of the notice of motion. The likelihood of confusion is dealt with in the grounds 5 and 6 of the notice of motion.

Finally in arguing about the use of inadmissible evidence or extrinsic evidence, there is no specific ground to support the arguments. However there is a general ground about evaluation of evidence. Is it sufficient to cover the arguments on inadmissible evidence? If so I do not need to consider these grounds and the objection of the Respondents Counsel in relations to the two grounds of inadmissible evidence and use of extrinsic materials may be considered on the merits. The rest of the submissions are on the face of it supported by the grounds and I will render a decision when considering the evidence on the other grounds of inadmissible evidence. Furthermore there is the issue of prejudice to the Respondent. The Respondent has had occasion to respond to the submissions and no prejudice has been occasioned by the framing of the heads of submission differently from the grounds provided the grounds or headings arise from the grounds of the notice of motion as I have noted above.



Judicial precedents in criminal appeals are that where a conviction is supported by the clearest evidence the appellate court would not quash the conviction on grounds of irregularity in pleadings or defect in the charge or other matters. In the case of **King versus Thompson [1914] 2 KB 99** the accused had been charged with incest and convicted. On appeal it was held that the indictment was bad in that more than one offence was charged in each count. Isaacs CJ held that they dismissed the appeal on the ground that:

“even if assuming that the objection raised after plea to the defect in the form of indictment was not taken too late and that the Appellant could have moved in arrest of judgment, no substantial miscarriage of justice had occurred, and that we were, therefore, bound to give effect to the proviso in section 4 subsection 1 of the Criminal Appeal Act 1907, which provides as follows:

"provided the court may, notwithstanding that there are of the opinion that the point raised in the Appeal might be decided in favour of the Appellant, dismiss the appeal if they consider that no substantial miscarriage of justice has actually occurred.”

If we had thought that any embarrassment or prejudice had been caused to the Appellant by the presentment of the indictment in this form we should have felt bound to quash the convictions whatever our views might be as to the merits of the case. It must not be thought that we are deciding that such objections should not be allowed to prevail either at the trial or in this court. An indictment so framed might undoubtedly hamper the defence, and if it did we should give effect to the objection. There are also other objections to an indictment which must be held good at any time, as, for example, an objection on the ground of want of jurisdiction.

One of the objects of section 4 was to prevent the quashing of a conviction upon a mere technicality which had caused no embarrassment or prejudice. Whilst giving the right of appeal upon any wrong decision of any question of law, the object of the legislature was that justice should be done in spite of the wrong decision and that the court should not interfere if it came to the conclusion that, notwithstanding the wrong decision, there had been no substantial miscarriage of justice. The court must always proceed with a caution

when it is of the opinion that a wrong view of the law had been taken by the judge presiding at the trial, but when it is apparent,... that no embarrassment or prejudice had in fact been suffered in consequence of the pleader having made the manifest error above mentioned, the court must act upon the proviso in this section of the Act.”

Isaac CJ goes on to review several authorities where the court considers the evidence and comes up with its own decision on the law.

In the case of **John Harris (1910) Criminal Appeal Cases page 285** there was an appeal against conviction on a point of law and from refusal of Ridley J to grant legal aid. The Appellant was convicted of attempted larceny from the person and sentenced to 18 months' imprisonment with hard labour. Pickford LJ held in this case the only objection taken is that the indictment was bad because it omitted the words “take and carry away” which were the ordinary words in an indictment for larceny. They held that:

“We are clearly of the opinion that this case comes exactly within the proviso to section 4 subsection 1 of the Criminal Appeal Act, 1907. It was on the clearest possible evidence that the jury convicted the Appellant. There is no appeal on the merits. So that it is impossible to say that the omission has occasion any actual miscarriage of justice.”

Furthermore even where an appeal has merit the court would not quash conviction unless a substantial miscarriage of justice occurred. **In the case of William Robert Powell (1921) Criminal Appeal Cases, 23** the Appellant was convicted at the Central Criminal Court before the Common Serjeant on 2nd June of Larceny and also of being a habitual criminal, and was sentenced to three years' penal servitude and five years preventive detention. He appealed against the sentence, and also applied for leave to appeal against his conviction as a habitual criminal. Appellant in person alleged that the learned Sergeant in summing up to the jury on the question whether he was a habitual criminal, had dwelt at great length on the advantages and benefits to habitual criminals of the system of preventive detention, and he contended that such consideration should not have been placed before the jury, and must have operated on their minds to his prejudice.

The Lord Chief Justice held that “In this case there has been "no substantial miscarriage of Justice" and the court could not interfere.

In Uganda, the duty of the first court of appeal in evaluation of the evidence was considered by the Supreme Court of Uganda in the case of **Ephraim versus Francis SCCA No. 10 of 1987** where the Supreme Court of Uganda per Odoki J at page 6 of his judgment held that the duty of the first appellate Court is now well settled. It is to re consider and evaluate the evidence, and come to its own conclusions. The court followed the case of **Selle and another v Associated Motor Boat Company Ltd and others [1968] 1 EA 123** and judgment of Sir Clement De Lestang Vice-President at Page 126:

" Briefly put they are that this court must reconsider the evidence, evaluate it itself and draw its own conclusions though it should always bear in mind that it has neither seen nor heard the witnesses and should make due allowance in this respect. In particular this court is not bound necessarily to follow the trial judge's findings of fact if it appears either that he has clearly failed on some point to take account of particular circumstances or probabilities materially to estimate the evidence or if the impression based on the demeanour of a witness is inconsistent with the evidence in the case generally."

The overriding principle is whether failure to take into account a particular matter complained about in the appeal is strong enough to have changed the conclusion of the trial court. If no prejudice was occasioned by any error of the trial court, the decision of the trial court should not be overturned. The principle applies to both civil and criminal proceedings as held in the East African Court of Appeal case of **Peters v Sunday Post Limited [1958] 1 EA 424** at page 429: "An appellate court has, indeed, jurisdiction to review the evidence in order to determine whether the conclusion originally reached upon that evidence should stand. But this is a jurisdiction which should be exercised with caution."

Finally in High Court Miscellaneous Application No 580 of 2015, arising from this appeal I held that Order 43 of the Civil Procedure Rules is applicable to appeals under the Trademarks Act to the High Court until new rules are enacted by the Chief Justice in consultation with the Attorney General. Order 43 rule 20 of the Civil Procedure Rules allows the court on the basis of evidence to consider the decision of the lower court as to whether it can stand or not and it provides as follows:

"Where the evidence upon the record is sufficient to enable the High Court to pronounce judgment, the High Court may, after resettling the issues, if necessary, finally determine the suit, notwithstanding that the judgment of the court from whose decree the appeal is preferred has proceeded only upon some ground other than that on which the High Court proceeds.

The rules enact the same principles in **Selle and another v Associated Motor Boat Company Ltd and others [1968] 1 EA**, **Peters v Sunday Post Limited [1958] 1 EA 424** as well as the English authorities in **King versus Thompson [1914] 2 KB 99**, **John Harris (1910) Criminal Appeal Cases page 285** and **William Robert Powell (1921) Criminal Appeal Cases, 23**.

In the premises if there is some material on the record to determine the appeal on the merits irrespective of the grounds argued, it is in the interest of justice that the High Court should finally determine the issue of objection to the trademark conclusively even if the parties had not referred to the materials on court record.

In the premises I now proceed to determine the appeal taking into account the grounds of the notice of motion, and the submissions of Counsel as well as the law the pleadings before the Registrar and the evidence on record. In order to proceed on the basis of a systematic understanding of the issues in the appeal I will first consider the evidence and conclusions of the Registrar before resolving the issues. Secondly I will not follow the same order in which the grounds of appeal were presented or argued and will consider the grounds as they arise in the flow of my own findings.

The background to this appeal is sourced from the record of appeal and is that the Appellant is Nairobi Java House Ltd and its application for registration of the trademark "Java house" and "Java Sun" as well as "Nairobi Java house Coffee & Tea " were disallowed by the Registrar of Trademarks hence this appeal. The Appellant established by affidavit that it had used the word "Java" in Kenya and seeks to expand its business into Uganda. The Applicant's effort to expand its business included the application to register the above trademarks which were successfully challenged by the Respondent. Emphasis on the word "Java" is the basis of the decision of the lower tribunal that it was the standout word upon which the trademarks sought to distinguish.

The material facts of this appeal go back to the grounds of the decision of the Assistant Registrar of Trademarks. The background to the decision is that the Appellant who is described as Nairobi Java House Ltd in application number 48063, applied to register a trademark which includes signs and the words "Nairobi Java House Coffee & Tea" on the 23rd of May 2013 for registration in Part B class 43. The Applicants also put in a disclaimer on 28 August 2013. The disclaimer is that the Applicant shall have no exclusive right to the use of the words "Nairobi", "House", Coffee" and "Tea" except as presented in the trademark. Secondly by application number 48061 for "Java House Coffee & Tea" the Applicant applied for registration in respect of coffee, tea, cocoa and others in class 42. As a matter of fact the gazette notices for registration of trademark were published in respect of "Nairobi Java House Coffee & Tea" on the 30<sup>th</sup> of September 2013. The date of filing of the application is 15<sup>th</sup> August 2013 according to the Gazette notice. The trade mark application in respect of "Java House Coffee & Tea" was also published on the same day. The date of filing the application was the 15<sup>th</sup> of August 2013.

An opposition to the application was filed by the Respondent to the above applications of the Appellant which opposition was signed on the 24<sup>th</sup> of October 2013 by Mandela Auto Spares Ltd the Respondent herein. The grounds of the opposition were also supported by a statutory declaration of the Finance Manager of Mandela Auto Spares Ltd and Mr Mohammed Mohideen and inter alia and in summary are that:

- Mandela Auto Spares Ltd is the owner of the "Javas" trademark number 29297 registered in class 30 in respect of coffee, tea, cocoa, chocolate etc on 3 November 2006 which registration was renewed on 3 November 2013.
- It is also the owner of trademark "Cafe Javas" trademark number 40162 in respect of coffee, tea, and cocoa, filed for registration on 17 July 2009 in class 30.
- The Respondent is also the registered trademark owner of "Cafe Javas" trademark number 47762 in class 21 registered on 2 July 2013.
- The Respondent is the registered owner of "Cafe Javas" trademark number 47766 in class 32 registered on 2 July 2013.
- The Respondent is the registered owner of trademark number 47767 "Cafe Javas" in class 43 registered on 2 July 2013.
- The Respondent had adopted use of the trademarks about seven years or 10 years ago.

- That the word "Java house" is phonetically, confusingly, and deceptively similar to the Mark "Javas".
- That the proposed trademarks of the Appellant were not distinctive in terms of section 9 of the Trademarks Act 2010.
- That the proposed Applicant's trademark is likely to deceive contrary to section 23 (1) of the Trademarks Act 2010.
- The trademark is identical or resembles the Respondent's trademark contrary to section 25 (2) of the Trademarks Act 2010 in respect of the same services.

In the statement in opposition it is pleaded that Trade Mark 40162 Cafe' Javas in class 30 in respect of coffee, tea cocoa, sugar rice etc was filed on the 17<sup>th</sup> of July 2009. Trademark number 47765 in class 21 was filed on the 2<sup>nd</sup> of July 2013 advertised in the gazette on the 16<sup>th</sup> of August 2013. Trade mark 47766 Cafe Javas in class 32 was filed on the 2<sup>nd</sup> of July 2013 and published on the 16<sup>th</sup> of August 2013. The attached evidence of documents include certificate of renewal dated 8<sup>th</sup> of July 2013 in respect of TM 29297. Evidence by way of attached documents is that trade mark "Cafe Javas" was registered in Part A on the 15<sup>th</sup> of November 2010.

In the counter statement by the Appellant to the Respondent's objection the Appellant inter alia wrote and produced evidence of the following grounds in support of the application namely that:

- The name "Java" is not an original coinage that can be used exclusively by one person.
- The word "Java" refers to "coffee" and the place where variations of coffee are served.
- Nairobi Java house (the Appellant) is a chain of coffee houses and exporters founded in 1999 with the head office in Nairobi and with a 14 year trading history.
- The words "Java", "house", and "Java Sun" are extensively registered and advertised and used.
- The Applicant has a well-known mark upon the use thereof distinguishing the Applicant's services.
- The Appellant further contended that there were material visual and phonetic dissimilarities between the Applicants/Appellants marks and those of the Respondent.
- Without prejudice the Applicant averred that its marks were capable of honest and concurrent use with that of the Respondent.

- In a statutory declaration in support of the counter statement by Kevin Ashley the Group Chief Executive of the Appellant it is further deposed that:
  - o The Applicant has a 15 year trading history.
  - o The trade Mark registered as "Nairobi Java house coffee & tea" was registered in class 30 under trademark number 50133 in Nairobi Kenya on the 8<sup>th</sup> of May 2000 and in respect of coffee, tea, foodstuff, and bakery products etc.
  - o Under trademark 63904 registered class 11 on 20 August 2008 it was also registered for lighting appliances, heating, steam generating, cooking as well as provision of foods and beverages etc

The decision of the Registrar clearly relies on the evidence considered above in the statutory declarations. The summary of evidence by the Registrar demonstrates that the Assistant Registrar did not take into account the prior registration of the Appellant in Nairobi Kenya in respect of the same trademarks sought to be registered in Uganda. This influenced the legal basis for consideration of the issues in the application for registration.

In the consideration of the issues the Assistant Registrar took into account the fact that the opponent or the Respondent to this appeal is a registered owner of the trademark "Cafe Javas" with the devise of a smoking (steaming) cup over the right side of the word 'Javas' and is registered in class 43. The opponent's case is that it had been using the marks on restaurant services which are the same services for which the Applicant is seeking registration of their trademark. On the other hand the Applicants sought the registration of the Mark "Nairobi Java house" with the devise of a face in a sun in respect of the same services in class 43 as well. Class 43 deals with services for providing food and drink, restaurant, catering services, booking and reservation services for restaurants. The Registrar then dealt with the issue of descriptiveness of the two trademarks. In other words the Registrar considered whether the word "Java" in the Applicant's proposed trademark sought to be registered was capable of registration on the ground that it is not capable of distinguishing services of the opponent because the word "Java" is or has become synonymous with coffee shops and restaurants worldwide. The Assistant Registrar further considered the meanings of the word "Java" to mean coffee or an Indonesian island or a computer programming language. He held that from the Applicant's evidence the word "Java" does not disclose restaurants or even relevant activity which is the provision of food

and drink services. He established as a matter of fact from his own research that the word "Java" is used by all kinds of enterprises including restaurants. He concluded that in the Internet such evidence submitted by the Applicant only showed that different restaurant enterprises are using the word "Java" in their trademark representations. This was to distinguish the services not to describe them. The fact that the Mark described coffee that is served in certain restaurants is not in itself sufficient to render the Mark descriptive of the services themselves. The word "Java" is therefore not a generic reference to coffee shops or restaurants.

The Registrar also considered the similarity of trademarks under section 25 (2) of the Trademarks Act 2010 which section forbids registration of a trademark that is identical or nearly resembles a trademark belonging to a different owner already on the register in respect of the same services, the same description of services or goods or a description of goods which are associated with those services or services of the description. In the course of submissions in this appeal, Counsels dwelt on the principles for assessment of trademarks for purposes of considering whether they can distinguish from others.

Among other matters which formed the subject matter of the appeal is whether the holding by the Registrar that the word "Java" is not descriptive of services of trade in food and drink and is not a word commonly used in the provision of such services in Uganda, is erroneous. This issue addresses ground 2, 3 and 4 of the Notice of Motion which are in other words the grounds of appeal.

Identical or resembling trademarks with regard to the same services, description of services or associated goods and services should not be registered under section 26 or upon the discretion of the Registrar under section 27 of the Trademarks Act respectively. On the ground that the word "Java" is not descriptive of services of trade in food and drink, it is not a word commonly used in the provision of the specified services in Uganda.

The Registrar also dealt with the likelihood of confusion on the ground that the Appellant's trademark nearly resembles that of the opponent/Respondent as a matter of fact based on comparisons. Issues were raised as to whether the materials before the Registrar were sufficient to come to a conclusion as to whether the proposed Mark was likely to be confusing to consumers and the principles for determining that.



I have carefully considered the ruling of the Registrar. He compared the Applicants Mark "Nairobi Java House, Coffee & Tea" as well as "Java House Coffee & tea". He held that in the middle is a devise of a face in a red sun with a yellow background.

The opponent's Mark is registered in class 43 has the stylised words "Cafe" and "Java" with the word "Cafe" in black colour and the word "Java" in Orange with a devise of a smoking (steaming) cup over the right-hand corner of the word "Java". The opponents Mark was registered from 2 July 2013. He held that visually the marks do not resemble.

He further held that there were some conceptual similarities as both marks have the dominating element of the word "Java". He considered the statutory declaration of the Respondent's Finance Manager Mr Mohideen Mohammed whose evidence is that customers refer to the Respondent's restaurants as "Java". He further observed that there is no evidence of this. He held that he was inclined to believe that it is very probable cause of the overshadowing impact of the word "Java".

The Assistant Registrar also held that both marks contain additional words which are not distinctive words. The word "Cafe", "Nairobi", "Java" and "house" as well as "coffee & tea" were disclaimed. It was unnecessary to disclaim the word "Java" and this was based on the issue of whether it is matter common to the trade or provision of services or otherwise of a non – distinctive character in terms of section 26 (1) (b) of the Trademarks Act 2010 . He had found that the word Java was not common to the trade. It was the use of the word "Java" in combination with the other words that gave distinctiveness. The word Java maintained a "standout role" in the Applicant's composite mark as well as that of the Respondent. He concluded that there is likelihood that the Applicant's trademark will be considered that of the Respondent. It is my finding that the entire finding of the registrar is grounded on his decision on the word "Java" which word is found in the Respondents trade Mark "Javas" and "Cafe Javas".

I have further noted that the conclusion was made is related to the evidence of Mohideen and one Senyondwa who both deposed statutory declaration's in opposition to the application of the Appellant. The related question is whether this evidence was sufficient for the finding that people were confused by the two marks considered in this dispute to sustain a finding of likelihood of confusion. This would resolve grounds 1, 5, 6 and 7 of the grounds of appeal. To

the question whether the confusion of two people is reasonable to be extended on an average member of the public, his answer was yes.

I have carefully considered this evidence. Mr Mohammed Mohideen is the Finance Manager of the Respondent. He has been the Finance Manager of the Respondent for the last 17 years. In his statutory declaration dated 6<sup>th</sup> of March 2014 and in paragraph 11 he states that the offending application if registered will result in the public being confused as to the source of the products sold under the Applicants Mark. He stated that the marks are so confusingly similar that the public would be confused or deceived into believing that there is some connection between the Applicant's marks and that of the Respondent. In paragraph 16 he deposed that the Respondent is already registered and the Applicant's application of the trademark is likely to deceive or cause confusion with that of the Respondent. In the affidavit in the counter statement of the Applicant/Appellant Mr Kevin Ashley the Group Chief Executive Officer of the Appellant denied the likelihood of confusion which he thought was based on the opponent's belief. He contended that the belief was without any basis and there was no visual or phonetic similarity between the respective logotypes, trade dress and style of the Applicant's and the opponent's works/trademarks that would give rise to a likelihood of confusion among customers. He further contended that there were material differences in detail and design of the Applicant's trademark that provide it with a distinctive character. Furthermore on the basis of advice from his lawyers, he deposed that the likelihood of confusion in trademarks is not determined by placing the marks side-by-side but by asking whether having regard to the relevant surrounding circumstances the two marks as used would be remembered as representing distinct enterprises by persons possessed of an average memory with its usual imperfections. Mere association in the sense that one trademark brings the other trademark to mind is not sufficient for purposes of determining a likelihood of confusion.

In rejoinder the Respondent filed statutory declarations by one Mohammed Mohideen and another by one Senyondwa Andrew Tendo a customer of the Respondent.

As far as Mohammed Mohideen is concerned, he deposes that the offending application will further aid the confusion in the public as to the source of the products sold. He attached the affidavit of Senyondwa Andrew Tendo as aiding confusion of the marks. Secondly he relied on

an extract from the New Vision newspaper (A Uganda Daily) of 27 June 2014 showing confusion and association of the opponent's marks.

As far as the attached affidavit of Senyondwa Andrew Tendo is concerned, he deposes that sometime in August 2014 and in the village Mall Bugolobi he entered Java coffee & tea thinking that it was part of the Cafe Javas outlets. That it was the name "Java" that led him to think that the Java coffee & tea was a branch or sister outlet of the Respondent. On asking one of the waiters to verify whether the two are related he was informed that Cafe Javas and Java coffee & tea are two different entities and not related at all. He was disappointed and deposes that the proposed name of the Appellant was likely to create confusion just like what had happened to him.

On the other hand the New Vision extract comes under the title "Food Review" reviewed by one Rita. The article is of 27 June 2014. It purports to associate the Bugolobi restaurant services of the Applicant with that of the Respondent's other branches other than with the Appellant's branches in Nairobi. I noted that this review came after the affidavit in the counter statement of the Appellant by Kevin Ashley of 20 April 2014. The dispute was already before the Registrar of Trademarks by the time the article was written. It is based on an article by one Rita who recounts her experience and recommends the place. She thought it was one of the outlets of the Respondent.

I have carefully considered the grounds of the appeal and the submissions of both Counsels as well as the decision of the Assistant Registrar. The controversy in this appeal relates in the final analysis to the likelihood of confusion. The gist of the ruling of the Registrar of Trademarks is that registration of the Appellants trademark would cause a likelihood of confusion. The decision did not rest in a substantial way on the registrability of the Appellant's Trademark except in relation to the earlier registration of the Respondent's Trademark. I have considered the submissions on how capability to distinguish is assessed and how likelihood of confusion according to several judicial precedents relied on. I have also considered submissions based on the principles for assessing capability to distinguish. For the moment there is no need for me to consider these precedents and grounds in the appeal as I have to deal with a more basic question here in below.

From a preliminary consideration, the Appellant's application was for registration in class B. The criteria for consideration for registration of a trademark in Class B are provided for under section 10 of the Trademarks Act 2010 which provides as follows:

“10. Capability of distinguishing requisite for registration under Part B.

(1) A trademark relating to goods to be registered in Part B of the register shall be capable, in relation to the goods in respect of which it is registered or proposed to be registered, of distinguishing goods with which the owner of the trademark is or may be connected in the course of trade from goods in the case where no connection subsists, generally or, where the trademark is registered or proposed to be registered subject to limitations, in relation to the use within the extent of the registration.

(2) A trademark relating to services to be registered in Part B of the register shall be capable, in relation to services in respect of which it is registered or proposed to be registered, of distinguishing services with the provision of which the owner of the mark is or may be connected in the course of business from services with the provision of which he or she is not so connected generally or, where the trademark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration.

(3) In determining whether a trademark is capable of distinguishing goods or services, the Registrar or court may have regard to the extent to which—

(a) the trademark is inherently capable of distinguishing goods or services; and

(b) by reason of the use of the trademark or of any other circumstances, the trademark is in fact capable of distinguishing goods or services.

(4) A trademark may be registered in Part B notwithstanding any registration in Part A in the name of the same owner of the same trademark or a part or parts of the trademark.”

The head note to section 10 of the Trademarks Act 2010 provides that capability of distinguishing is a requisite requirement for registration under Part B. It goes on to give the criteria for considerations whether to register for goods under section 10 (1) and for services

under section 10 (2) of the Trademarks Act. I shall begin with the main controversy which relates to the provision of services and trademark registration in respect thereof.

I am in agreement with the submissions of the Respondent whose import is that where a Statute is clear and unambiguous, the first resort of a court of law is to interpret it as it is. This is based on the jurisdiction of the High Court under section 14 of the Judicature Act cap 13 laws of Uganda. Under section 14 (2) thereof, the jurisdiction of the high Court shall be exercised in conformity with the written law in force. These are the statutes and statutory instruments with the Constitution of the Republic of Uganda providing the basic or foundational norm. Where the written law does not extend or apply the jurisdiction is exercised in conformity with the common law and doctrines of equity. Thereafter jurisdiction may be exercised in accordance with any established or current custom or usage. For that reason some aids in judicial precedence may be used to cast light on earlier interpretation by courts. Where there are no judicial precedents interpreting the section in Uganda or East Africa the court can consider persuasive precedents from England if the section considered is in *pari materia* with the Uganda section i.e. in this case 10 (2) of the Trademarks Act 2010.

In the premises I must first consider the controversy from the interpretations and meaning that can be discerned from section 10 (2) of the Trademarks Act 2010. How is capability of distinguishing of services determined? Under section 10 (2) capability to distinguish should be in relation to services in respect of which it is registered or proposed to be registered. The capability to distinguish is therefore in relation to particular services. The Trade mark sought to be registered should be capable of distinguishing particular services of the owner thereof from other similar services not of the owner or not connected generally with that of the owner.

The second criteria for consideration for registration is section 10 (3) which gives two elements namely: The Registrar or court may have regard to the extent to which (a) the trademark is inherently capable of distinguishing goods or services; and (b) by reason of the use of the trademark or of any other circumstances, the trademark is in fact capable of distinguishing goods or services. The use of the inherent capability or consideration of the use of the trade mark or of other circumstances making it capable of distinguishing goods or services is a discretionary power because of the phrase: the Registrar or the court may have regard to the extent ...” The first basic criteria are therefore the capability to distinguish services. According to David I.

Bainbridge in his textbook on Intellectual Property Sixth Edition at page 597 to be capable of distinguishing goods and services of one undertaking from another, the trademark must say or be capable of saying on its face that the goods or services come from X rather than from Y or Z. The trademark is an indicator of origin of the goods or services. It is a guarantee of trade origin or a badge of origin of the goods or services. The statute itself provides for marks which may or may not be registered.

The first element worthy of note is that the Registrar held that the most standout element in the contested trademark is the use by both contestants of the word "Java". The Respondent had been registered in part A in respect of use of that word "Java" in part of the trademark which gives the basis of the opposition to registration of the Appellant. By holding that this was the common element that made the trademark capable of distinguishing the services he determined the issue of inherent capability to distinguish though in relation to the Respondent's mark as well. The averment that there was an error to hold that the word "Java" was not an original coinage in ground 1 of the appeal takes the analysis to a different realm. The grounds in the counterstatement of the Appellant in answer to the opposition included averments that the name "Java" is not an original coinage that can be used exclusively by one person. Secondly the word "Java" refers to "coffee" and the place where variations of coffee are served. Thirdly the Nairobi Java house (the Appellant) is a chain of coffee houses and exporters founded in 1999 with the head office in Nairobi and with a 14 year trading history. Fourthly the words "Java", "house", and "Java Sun" are extensively registered and advertised and used. Lastly the Applicant has a well-known mark upon the use thereof distinguishing the Appellant/Applicant's services.

The doctrine is that an ordinary word is not inherently capable of distinguishing services except through use or distinctiveness generated by other factors. I have consequently gone back to the foundation of the Respondent's registration in Part A to consider the word "Java" or "Javas". As a preliminary background the second ground of appeal is that the Registrar committed a material and distinct error of evaluation and principle in finding that the word Java is not a common English noun that is synonymous with the business of coffee shops and restaurants. This is connected to ground 3 as well as ground 4 of the appeal. It inherently affects registration in Part A as well.

First of all section 8 provides of the Trademarks Act 2010 provides that that a trademark relating to goods or services shall be registered in respect of particular goods or classes of goods. Secondly section 9 provides that in order for a trademark other than a certification mark to be registered in Part A of the register, the trademark shall contain or consist of at least one of the essential particulars. The basic difference between section 9 and section 10 on distinguishing is that under section 9 the trademark has to be distinctive and is registered under Part A. Under section 10 it should be capable of distinguishing the goods or services even if an owner had first been registered under Part A and it is registered under Part B. Section 9 of the Trademarks Act 2010 provides as follows:

“9. Distinctiveness requisite for registration under Part A.

(1) In order for a trademark other than a certification mark to be registered in Part A of the register, the trademark shall contain or consist of at least one of the following essential particulars—

(a) the name of a company, individual or firm, represented in a special or particular manner;

(b) the signature of the Applicant for registration or of some predecessor in his or her business;

(c) an invented word or invented words;

(d) a word or words having no direct reference to the character or quality of the goods or services, and not being according to its ordinary signification, a geographical name or a surname; or

(e) any other distinctive mark, but a name, signature or word or words, other than words within the descriptions in paragraphs (a), (b), (c) and (d), shall not be registrable under this paragraph except upon evidence of its distinctiveness.

(2) For the purposes of this section, “distinctive” means—

(a) in the case of a trademark relating to goods, adapted in relation to the goods in respect of which the trademark is registered or proposed to be registered, to

distinguish goods with which the owner of the trademark is or may be connected, in the course of trade, from goods in the case of which no connection subsists; or

(b) in the case of a trademark relating to services, adapted in relation to services in respect of which the trademark is registered or proposed to be registered, to distinguish services with which the owner of the trademark is or may be connected in the course of trade, from services with the provision of which he or she is not connected, generally or, where the trademark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration.

(3) In determining whether a trademark is adapted to distinguish as goods or services, the Registrar or the court may have regard to the extent to which—

(a) the trademark is inherently adapted to distinguish goods or services; and

(b) by reason of the use of the trademark or of any other circumstances, the trademark is in fact adapted to distinguish goods or services.”

Section 9 (1) makes it essential that the trademark shall contain one of the essential characteristics. In relation to the Respondent which is a limited liability company the name of the company or the signature of the Applicant or and invented word or words. The first three considerations do not apply to the Respondent. The trademark “Cafe’ Javas” does not have the company name of the Respondent which is Mandela Auto Spares Ltd. Secondly it does not have the signature of the Applicant. Thirdly it does not have an invented words or words unless we accept that the word “Javas” is not “Java”. I will therefore consider the other parts of section 9 (1) namely (d) and (e). As far as item (d) is considered the trademark may consist of a word or words having no direct reference to the character or quality of the goods or services, and not being according to its ordinary signification, a geographical name or a surname. In other words the words “Café Javas” had to have no direct reference to the character or quality of goods or services in respect of which it is registered. Secondly it should not be a geographical name or surname. The word Java is a place in Indonesia and is a geographical name referring to an Island. Secondly from the Registrars ruling it is also means coffee. The word Café means coffee.



I have checked the evidence and dictionary meanings relied on. Among the evidence considered is that “Java Coffee” refers to coffee beans produced in the Indonesian Island of Java. Several of the Café Java or Java Café hits on the internet search relied on by the Appellant and referred to by the Registrar of Trademarks refer to restaurants in the USA, Australia and UK among others and where among other things coffee is served. I have also considered the conclusion of the Registrar.

He held that Class 43 under the Trademarks Act applies to services for providing food and drink, restaurant, catering services, booking and reservation services for restaurants. The Registrar then dealt with the issue of descriptiveness of the two trademarks. He considered whether the word "Java" in the Applicant's proposed trademark sought to be registered was capable of registration on the ground that it is not capable of distinguishing services of the opponent because the word "Java" is or has become synonymous with coffee shops and restaurants worldwide. He thereafter restricted it to Uganda. The Assistant Registrar considered the internet evidence attached to the affidavit of Kevin Ashley. He found that the word "Java" meant coffee or an Indonesian island or is used in a computer programming language. However the evidence did not prove that the "Java" is associated with restaurants or even relevant activity which is the provision of food and drink services. He found that the word "Java" is used by all kinds of enterprises including restaurants. The Internet evidence submitted by the Applicant only showed that different restaurant enterprises are using the word "Java" in their trademark representations and this was meant to distinguish the services and not to describe them. The fact that the trademark described coffee that is served in certain restaurants is not in itself sufficient to render the word “Java” descriptive of the services themselves. The word "Java" is therefore not a generic reference to coffee shops or restaurants.

From the evidence and ruling the Registrar erred in two aspects on a matter of fact. Firstly he rightly established that the word “Java” meant a geographical place in Indonesia. Was it therefore a registrable word in Part A without need of proving distinctiveness? Secondly he erred not to find that the word ‘Java’ is certainly associated with coffee and restaurants. This is exactly what the attached evidence shows. In the evidence the words “Cafe” and “Java” are ordinarily used in association in the business of coffee and coffee drinks. Specifically the word “Java” is colloquial for “programming language” or “Coffee”. Java is an Island of Indonesia separated

from Borneo by the Java Sea. Secondly it is a trademark for programming language used to develop applications that can operate on different platforms according to the American Heritage Dictionary of the English language, Fifth edition © 2011 by Houghton Mifflin Harcourt Publishing Company. Several other definitions I have searched from the internet give the three variations namely it is a geographical place in Indonesia (an Island), it refers to coffee or computer programming language. The Registrar erred in law not to apply section 26 (1) (b) to find that the word “Java” which he held played a standout role was common to the provision of services of the description on class 43 of the Trademarks Act 2010.

Going back to section 9 of the Trademarks distinctiveness has a statutory definition. It means under section 9 (2) (b) in relation to provision of services, “adapted in relation to services in respect of which the trademark is registered or proposed to be registered, to distinguish services with which the owner of the trademark is or may be connected in the course of trade, from services with the provision of which he or she is not connected, generally or, where the trademark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration.” The exact same words under section 10 of the Trademarks Act are used for distinctiveness. The word “Java” in case it is considered after overcoming the issue of prohibition of the registration of a geographical name could be registered upon obtaining evidence of distinctiveness. I note that it was registered anyway and it is not in controversy as to whether it is registrable.

Last but not least in determining whether the mark has been adapted to distinguish goods or services the court or Registrar shall have regard under section 9 (3) of the Trademarks Act to the extent to which the trademark is inherently adapted to distinguish goods or services and (b) by reason of the use of the trademark or of any other circumstances, the trademark is in fact adapted to distinguish goods or services.

My conclusion is because the word “Java” is common to the services the Appellant is undertaking and which the Respondent also does grounds 2, 3 and 4 of the Appellants grounds in the notice of motion are allowed. I further wish to add that the word “Java” was properly disclaimed by the Appellant in terms of section 26 of the Trademarks Act 2010.

I have further noted that none of the parties addressed the Registrar or the court specifically on the implications of registration of the Appellant in Kenya prior to its application in Uganda. I have considered the evidence of the registration of the Appellant in Kenya and it is not necessary to consider whether the Appellant is registrable on account of the earlier registration in Uganda of the Respondent if this issue was considered. Secondly the legal provisions for consideration of registration would have been slightly different. As earlier on held the principles to be applied in an appeal are well established.

I will again cite Order 43 rule 20 of the Civil Procedure Rules which permits the court on the basis of exhaustive evaluation of evidence to reconsider the decision of the lower tribunal or court on a new basis. Order 43 rule 20 provides that:

"Where the evidence upon the record is sufficient to enable the High Court to pronounce judgment, the High Court may, after resettling the issues, if necessary, finally determine the suit, notwithstanding that the judgment of the court from whose decree the appeal is preferred has proceeded only upon some ground other than that on which the High Court proceeds.

In other words the court can decide the appeal on some other ground and issue provided it is supported by the evidence. These principles were earlier referred to from the judicial precedents of **Ephraim versus Francis SCCA No. 10 of 1987, Selle and another v Associated Motor Boat Company Ltd and others [1968] 1 EA 123, Peters v Sunday Post Limited [1958] 1 EA 424** as well as the English authorities in **King versus Thompson [1914] 2 KB 99, John Harris (1910) Criminal Appeal Cases page 285 and William Robert Powell (1921) Criminal Appeal Cases, 23**. The principles are that the duty of the first appellate court is to re – consider and evaluate the evidence, and come to its own conclusions. In **Selle and another v Associated Motor Boat Company Ltd and others [1968] 1 EA 123** it was held that the Appellate Court must reconsider the evidence, evaluate it by itself and draw its own conclusions. The first Appellate Court is not bound “necessarily to follow the trial judge’s findings of fact if it appears either that he has clearly failed on some point to take account of particular circumstances or probabilities materially to estimate the evidence.” It is my holding that the Registrar did not take into account the prior registration in Kenya of the Appellant yet it was the most material matter

for consideration. Perhaps the Appellant too can be faulted for not emphasising it in the objection proceedings.

What needs to be considered before considering likelihood of confusion or similarity of the opponent's marks is which mark takes priority? It is a matter of public interest for the East African Community to consider what to do with marks registered prior in another member state and sought to be registered in yet a different member state of the Community.

The evidence on record proves that the Applicant's Trademark is a foreign registered trademark having been registered in Kenya and the owner thereof who is the Appellant sought to register its mark in Uganda as well. The international legal framework is inter alia that of the Paris Convention for the Protection of Industrial Property 1883 to which Uganda and Kenya are parties and secondly the provisions of the Ugandan Law on the matter if any.

I will start with the **Paris Convention for the Protection of Industrial Property of March 20, 1883, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Lisbon on October 31, 1958, and at Stockholm on July 14, 1967, and as amended on September 28, 1979**, which deals with registration of foreign marks under article 6 thereof.

Article 6 on the Conditions of Registration; Independence of Protection of Same Mark in Different Countries provides as follows:

“(1) The conditions for the filing and registration of trademarks shall be determined in each country of the Union by its domestic legislation.

(2) However, an application for the registration of a mark filed by a national of a country of the Union in any country of the Union may not be refused, nor may a registration be invalidated, on the ground that filing, registration, or renewal, has not been effected in the country of origin.

(3) A mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin.

The article provides that the conditions for filing and registration of trademarks are determined by the domestic trademark legislation. Secondly a mark registered in one country of the union is independent of the registration in other countries under the principle of territoriality. Secondly article 6 quinquies provides for the protection of marks registered in one country of the Union in the other Countries of the Union and the question is what protection does the Kenyan registered mark of the Appellant have in Uganda? Article 6 quinquies provides inter alia in paragraph A (1), (2) and paragraph B that countries of the Union which as I held above include Kenya and Uganda shall accept trademarks registered in a country of the Union for filing. Secondly a country of the Union may require the Applicant of a foreign registered trademark to produce a certificate of registration of the trademark in the country of origin. Thirdly it is provided that the trademark may neither be denied registration nor invalidated except inter alia when they infringe rights acquired by third parties where protection is claimed. Secondly when they are devoid of any distinctive character or are contrary to morality or public order among other grounds. Furthermore paragraph C in determining whether a trademark is eligible for protection provides the criteria for consideration is as follows:

“(1) In determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use.

(2) No trademark shall be refused in the other countries of the Union for the sole reason that it differs from the mark protected in the country of origin only in respect of elements that do not alter its distinctive character and do not affect its identity in the form in which it has been registered in the said country of origin.”

Among other factors the length of time a mark has been in use is a relevant fact. The length of time is a relevant factor in this appeal. Whereas the **Paris Convention for the Protection of Industrial Property** gives discretionary powers to a member of the union through its trademark registration office to require production by the Applicant of a certificate of registration in the foreign country, in the proceedings before the tribunal the Group Chief Executive Officer of the Appellant Mr. Rick Ashley produced two certificates of registration in support of the Appellant’s counterstatement to the objection and by statutory declaration. The attached certificate of the Applicant/Appellant to the statutory declarations proves that the Appellant was registered in

Kenya in respect of the Trademark “Nairobi Java House Coffee & Tea” on the 4<sup>th</sup> of December 2000 in class 30 (Schedule III) Under Number 50133 as of the 8<sup>th</sup> of May 2000, in respect of Coffee, tea, foodstuffs and bakery products etc. It is again registered in class 11 under trademark number 63904 for apparatus for lighting, heating, steam generating, cooking, drying, ventilating and others on the 5<sup>th</sup> of February 2009 with the effective date of registration being 20<sup>th</sup> August 2008.

The Ugandan Trademarks Act 2010 has domesticated some of the principles of the **Paris Convention for the Protection of Industrial Property** under sections 44 and 45 thereof. Section 44 (1) gives the registrar power to refuse a trademark where it resembles or is identical with a foreign registered trademark registered prior in time. Section 44 (2) gives the Registrar discretionary powers to refuse to register a foreign registered trademark on the ground that the mark is identical with or nearly resembles a trademark which is already registered in respect of the same services, the same description of services; or goods or a description of goods or services which are associated with those services or services with that description in a country or place from which the services originate. However section 44 (3) provides that the Registrar shall not refuse the application for registration in Uganda if the Applicant proves prior use continuously of the mark before the registration of the foreign trademark in the country of origin. The general principle that emerges from sections 44 and 45 of the Trademarks Act 2010 of Uganda is that the mark registered first in time takes priority to a later trademark in case of resemblances.

Section 45 further gives the court jurisdiction to remove from the register a trademark which is registered after a foreign registered mark in case the trademark registered in Uganda is identical with or nearly resembles a trademark of the plaintiff registered in a foreign country in respect of the same services etc and registered prior in time.

Last but not least I have considered the fact that Kenya and Uganda are part of the East African Community and operate under the principle of complementarities under articles 7 of the Treaty. The community law is that Member States which include Kenya and Uganda shall enact similar laws with regard to the removal of non tariff and other technical barriers to trade and measures that restrict free movement of goods and services. Sections 44 and 45 of the Trademarks Act

2010 support freedom of movement of goods and services in the East African Community within the limitations contained in the sections.

In the **Treaty for the Establishment of the East African Community (As amended on 14th December, 2006 and 20th August, 2007) article 7** provides that there shall be free movement of goods and persons, labour, services, capital information and technology. It provides in article 7 (1) (c):

“ARTICLE 7

Operational Principles of the Community

1. The principles that shall govern the practical achievement of the objectives of the Community shall include:

(c) the establishment of an export oriented economy for the Partner States in which there shall be free movement of goods, persons, labour, services, capital, information and technology;

(g) the principle of complementarity; and...”

The decision of the Registrar stifles free movement of services within the East African Community by restriction on the registration of a trademark registered prior in time in Kenya on the ground of registration of a trademark albeit registered later in time to Uganda.

Before taking leave of the matter I will briefly consider the issue of similarity of marks or likelihood of confusion in the context of an application for registration of a foreign registered Trademark. This addresses grounds 1, 5, 6, 7 and 8 of the grounds of appeal in the Appellants Notice of Motion.

A critical examination of the registrars ruling shows the following:

On his comparison of the two marks he came to the right conclusion that the two marks visually do not resemble in paragraph 39 of his ruling. For emphasis I refer to the marks again. The Appellants mark which was registered in Nairobi in the year 2000 has remained the same. It has the words “Nairobi Java House Coffee & Tea”. In more specific description the word NAIROBI

is written inside and on top of a rectangular box. It is immediately followed by the devise of a sun depicted as a human face in the centre and below the word Nairobi. Thirdly this sun is followed below it by the word JAVA. After the word Java there is a dash sign below that resembles the sign “-:-“. Thereafter there is yet below the words “Coffee & Tea”. The Registrar also added the colours. The colour of the sun is in red. The words coffee and tea are also in red in a yellow background. In the variation the Appellants trademark does not have the word Nairobi on top but has the words JAVA HOUSE coffee & Tea.

The Respondents mark on the other hand has the words “Cafe’ Javas” with the devise of a steaming cup above the letters “as” in “Javas”. The word “Cafe” is in black while the word “Javas” is in orange. The Registrar, and correctly in my view concluded that there was no visual similarity between the two marks namely that of the Appellant and that of the Respondent. His words are: “Visually the marks do not resemble”.

In paragraph 40 of his ruling the Registrar noted some conceptual similarities because both marks have the dominating element of the word “Java”. He considered the statutory declaration of Mohammad Mohideen. On the question of whether customers referred to the restaurants of the Respondent as “Javas” he held that there was no evidence to this effect though he held that he was inclined to believe Mohammad Mohideen on the probability that it was true because of the “overshadowing impact of the word “Java”. His conclusion was that the rest of the words in the trademarks used by the parties to this appeal were not distinctive. These were the words “Cafe’, Nairobi, House, Coffee & Tea”. It was the use of the word “Java” in combination with the other words that gave distinctiveness to the trademarks.

First of all from my holding that the word Java is an ordinarily word, that it is a geographical place in Indonesia, that it refers to coffee and computer programming language and that this word is associated with the business of trademarks, like the word “Cafe” it can be used as a descriptive term to refer to such business in class 43 where coffee is served. On the basis of that holding, the registrar erred in law not to find that the word Java is a descriptive term as held above and properly disclaimed by the appellant.

As far as likelihood of confusion is concerned there was no survey which had been conducted. The opinion of two deponents was insufficient to reach the conclusion that the registrar reached



of confusion of members of the public. Mohideen relied on the opinion of one customer Mr. Senyondwa whose affidavit he attached. Secondly he relied on a newspaper article written by one Rita. There is no evidence that Rita interviewed anybody and her comments were her own opinion. The concept of an average consumer must import representativeness of the opinion or likelihood of confusion. There is no evidence of the kind of clientele the Respondent has and who is a reasonable customer. The registrar erred to rely on the evidence of Mohammad Mohideen after finding that there was no evidence of reference to the restaurants of the respondent as Javas by an average or reasonable customer.

Furthermore the trademarks of parties are visually very different. In case of association of the word Java through use or association to acquire distinctiveness the appellant has been using the mark in Kenya since 1999 and the court is obliged to take this into account. In any case my finding on the evidence is that the two marks are dissimilar and the likelihood of confusion is not supported by evidence and therefore the conclusion of the Registrar is not supported.

In the premises grounds 1, 5, 6, 7 and 8 of the Notice of motion are allowed. The two marks are capable of concurrent usage and the Appellant's appeal succeeds with costs.

The decision of the Registrar dated 21<sup>st</sup> May 2015 is set aside.

A consequential order issue compelling the registrar to allow registration of the Appellants application No. 48062/2013 and Trademark Application No. 48063/2013 subject to conditions of disclaimer under section 26 of the Trademarks Act 2010.

Judgment delivered in open court on the 9<sup>th</sup> of February 2016

**Christopher Madrama Izama**

**Judge**

**Judgment** delivered in the presence of:

James Mukasa Sebugenyi Counsel for the Appellant

Alex Rezida and Richard Bwayo appear for the Respondent

Charles Okuni: Court Clerk

**Christopher Madrama Izama**

**Judge**

**9<sup>th</sup> February 2016.**