

UGANDA REGISTRATION SERVICES BUREAU

THE TRADEMARKS ACT, 2010

IN THE MATTER OF TRADEMARK APPLICATION No. 56975 "DELIGHTS AUTOMART" IN CLASS 12 BY DELIGHTS AUTOMART CO. LTD AND

IN THE MATTER OF AN OPPOSITION OF REGISTRATION BY DELIGHTS CO. LTD

BEFORE: AGABA GILBERT, ASST. REGISTRAR TRADEMARKS

- 1- Delights Automart Co. Ltd (herein the Applicant) applied for registration of the mark "Delights Automart" on the 7th October 2016 for goods in class 12. Delights Co. Ltd (herein the Opponent) opposed the application via notice dated 26th October 2016.
- 2- Evidence by both parties was submitted via statutory declarations by Mr. Toshiyuki Saito and Muzahura Elias for the Opponent and Mr. Omar Ssekamate for the Applicant.
- 3- Briefly, from 2013 the Opponent was carrying on business of selling motor vehicles on premises owned by Safi Net (U) Ltd where Mr. Omar Nasooro Ssekamate is a Director/shareholder. Mr. Ssekamate is also the sole shareholder and Director in the Applicant company.
- 4- When the lease ended the Applicant merely continued the business of selling motor vehicles using the mark "Delights Automart". In the meantime, Delights Kenya Ltd had registered the mark "Delights" in Kenya for goods in class 12 of the Nice Classification to-wit vehicles; apparatus for locomotion

by land, air or water and Delights Company Limited had also been using the mark in Japan since 2006.

- 5- The Opponent objects to registration of the Applicant as proprietor of the mark "Delights Automart". The basis of the objection is that the Opponent's mark and the mark in issue are similar and used for the same goods and thus will confuse consumers. And that the Opponent has already registered their mark in the country of origin.
- 6- The application is in respect of goods in class 12 of the Nice Classification towit apparatus for locomotion by land, air and water.
- 7- First point of contention: the Opponent argues that pursuant to section 25 of the Trademarks Act, the Applicant should be prohibited from registering "Delights Automart" because it resembles their own mark "Delights". The Opponent cites section 25(1) of the Trademarks Act which states that:

"Subject to section 27, a trademark relating to goods shall not be registered in respect of goods or description of goods that is identical with or nearly resembles a trademark belonging to a different owner and already on the register in respect of—

- (a) the same goods;
- (b) the same description of goods; or
- (c) services or a description of services which are associated with those goods or goods of that description."
- 8- There is no mark on the register resembling the mark in issue, even the Opponent's mark is not registered here in Uganda. This provision is therefore, not relevant.
- 9- Secondly, the Opponent argues that under section 44 and 45 of the Trademarks Act, the registrar should refuse/remove a mark resembling another registered in the country of origin and that their mark (Opponent's) is registered in the country of origin of the goods sold.

- 10- Section 44(1) provides:
 - "Subject to subsection (3), the registrar may refuse to register a trademark relating to goods in respect of goods or description of goods if it is proved to his or her satisfaction by the person opposing the application for registration that the mark is identical with or nearly resembles a trademark which is already registered in respect of—
 - (a) the same goods;
 - (b) the same description of goods; or
 - (c) services or a description of services which are associated with those goods or goods of that description, in a country or place from which the goods originate."
- 11- Regarding the matter of identical or resembling marks, case law is well settled:
 - a. You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances (The pianotist 1906 RPC 774 at 777)
 - b. The matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question. (Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer [1999] R.P.C. 117).
 - c. That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components (Sabel v Puma Case C-251/95)

- d. If what is involved is a compound trade mark, appraisal of its distinctive character calls for it to be considered as a whole. However, that is not incompatible with an examination of each of the trade mark's individual features in turn (Case T118100 Procter & Gamble v OHIM [2001] ECR 1-2779, paragraph 54).
- e. A [single] word [mark] must be refused registration ... if at least one of its possible meanings designates a characteristic of the goods or services concerned (Case C-191/01 P OHIM v Wrigley [2003] ECR I-12447, paragraph 32).
- 12- The marks in issue are represented herewithbelow:-

Applicant's mark	Delights Automart
Opponent's mark	Delights

- 13- It is my opinion that visually, aurally and conceptually the two marks resemble.
- The word "Delights" is the same in both instances; the font style is identical; the tone of the colour enveloping the letters is the same save for a slight and unremarkable difference in the shades; and also the concepts are the same that is the white dotted "i", black lettering of the word delights and the letter "e" that is interconnected with the proceeding letter "l" in the word delights. That said the Applicant's mark has an additional element of the word "Automart" in orange colour.
- Automart is a combination of two words "Auto" and "Mart". According to Cambridge Dictionary

(https://dictionary.cambridge.org/dictionary/english) auto means "relating to cars" and "mart" refers to market or place where goods are sold. Automart therefore, loosely translates to place where cars are sold.

- In Case C-591/12P, Bimbo SA v OHIM paragraph 34 it was held that it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case.
- In Medion AG v Thomson multimedia Sales Germany & Austria GmbH, C-120/04, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole.
- 18- The word Automart is a descriptive term that an ordinary consumer will not perceive as meant to distinguish the brand but to explain it. As such it has a diminished significance in perception of the mark whereas the word "Delight" maintains a distinctive significance in the perception of the mark as a whole not only in the way it stands out due to the surrounding bright colour but also its connotation of pleasure.
- 19- All in all the marks resemble.
- 20- The other significant aspect of section 44 is that since the marks resemble, the Opponent had to prove to my satisfaction that the Applicant's mark resembles the Opponent's mark already registered for same goods in a country or place from which the goods originate.
- 21- A mark "Delights" is registered in Kenya for motor vehicles. The inquiry to be made here is whether Kenya is the country or place from which

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the goods originate. There is no definition of this term in the Trademarks Act and thus plainly reading the text, the ordinary meaning is rather straight forward. The country or place from which the goods originate simply refers to the geographical location from where the goods in issue are shipped which in this case according to Mr. Toshiyuki Sato (see para 6 and other 6 of his undated statutory declaration) is Japan.

- 22- It should be noted however, that the expression "country or place from which the goods originate" seems to be used interchangeably with the term "country of origin" see section 44(3) and (4). The precise definition of the term "country of origin" is found in Article 6 *quinquies* of the Paris Convention for the Protection of Industrial Property.
- 23- Article 6 quinquies (A) states:
 - (1) Every trademark duly registered in the <u>country of origin</u> shall be accepted for filing and protected as is in the other countries of the Union, subject to the reservations indicated in this Article. Such countries may, before proceeding to final registration, require the production of a certificate of registration in the country of origin, issued by the competent authority. No authentication shall be required for this certificate.
- Article 6 quinquies A (2) defines country of origin to mean:

 "...the country of the Union where the applicant has a real and effective industrial or commercial establishment, or, if he has no such establishment within the Union, the country of the Union where he has his domicile, or, if he has no domicile within the Union but is a national of a country of the Union, the country of which he is a national."
- 25- Whereas the principle is that the qualifiers cascade from real and effective commercial establishment to domicile to nationality, there is no evidence of the last two qualifiers making it unnecessary to consider them anyway. Besides the evidence of the Opponent seems to suggest that Kenya is the real and effective industrial or commercial establishment.

- A real and effective industrial or commercial establishment is no doubt a question of fact depending on factors such as where the applicant is in fact based and doing business, where the applicant conducts his or her commercial activities, where the applicant's employees look after his or her business affairs among others.
- establishment is in Kenya, the Opponent's real and effective commercial establishment is in Kenya, the Opponent has no resembling mark registered in Kenya according to the evidence. Looking at exhibit "B2" of Mr. Toshiyuki's statutory declaration, Delights Kenya Ltd and not the Opponent is the registered proprietor of the word "Delights" in Kenya. In addition the mark "Delights" is also not registered in Japan where the goods come from. The Opponent has therefore, failed to prove that the mark in issue is registered in the country of origin of the specified goods as provided under sections 44 Trademarks Act.
- 28- Since the Opponent has failed to show that they registered their mark in the country or place from which the goods originate, it follows that the first in time to apply prevails or as encapsulated in the maxim *qui prior est tempore* potior est jure: he has the better title who was first in point of time.
- 29- In the circumstances, the recourse for the Opponent is to apply for cancellation of the mark in issue after it has been registered if they have grounds. This might seem counterproductive but there is precedent for it.
- In Shri Chander Mohan Kapoor t/a British Herbal Cosmetics v. Amin Chavania t/a Jaskar Enterprises HCCA 12/2005, a manufacturer who had not registered the mark in their country of origin (India) and an importer who had applied first for registration in Uganda were contesting the issue of who had the right to apply for registration of a mark among others. Court found that on the first come first register basis, the importer who had applied first and then registered their mark had carried out the registration properly. Justice Kiryabwire further stated that:

"However that does not mean that the mark will necessarily stand, after the said registration. Registration can subsequently be challenged by an application for rectification. Halsbury's Law of England Vol 38 (supra) at para 951 states:

"...An application to rectify is the proper method of raising the question of ownership of a trade mark <u>especially if the person</u> seeking to object has no registered mark resembling the dispute mark registered in Uganda or the country of origin"." The underlined addition is mine.

31- For these reasons therefore, the Opposition fails. It is ordered that the mark "DELIGHTS AUTOMART" should be registered subject to a disclaimer of the word "AUTOMART" and payment of the prescribed fees. The Opponent shall bear the cost of this opposition.

32- I so order.

Dated this. ... day of May 2019

AGABA GILBERT

Asst. REGISTRAR TRADEMARKS