UGANDA REGISTRATION SERVICES BUREAU

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THE TRADEMARKS ACT, 2010

IN THE MATTER OF TRADEMARK REGISTRATION No. 59228 "WEATHERGUARD" IN CLASS 2 BY AKSO NOBEL COATINGS INTERNATIONAL BV
AND

IN THE MATTER OF AN APPLICATION FOR CANCELLATION OF REGISTRATION BY KANSAI PLASCON UGANDA LIMITED

BEFORE: AGABA GILBERT, ASST. REGISTRAR TRADEMARKS

1- On the 4th day of May 2018, the mark "WEATHERGUARD" was registered in class 2 in the names of Akzo Nobel Coatings International B.V (herein the Respondent) from 14 July 2017.

2- On 10th December 2018, Kansai Plascon Uganda Limited (herein the Applicant) applied for rectification of the register by way of cancellation of the Respondent's registration on the ground inter alia that the registration on trademark number 59228 "WEATHERGUARD" in the names of Akzo Nobel Coatings International BV was unlawful.

3- Both parties submitted their evidence by way of statutory declaration.

4- Before I delve further into this matter, there is an issue that the Respondent briefly argued namely to stay these proceedings in light to two suits currently in court involving the Applicant and Respondent to-wit High Court civil suit 892/2017 and HCCS 918/2017.

5- Regarding this issue, the Respondent's argument at the hearing of the application is that in light of HCCS 918/2017 and 892/2017, these proceedings should be stayed as the decision in the High Court will

conclusively determine which of the parties is entitled to the Weatherguard mark.

6- The Applicant on their part argues that a stay would condone an illegality namely the unlawful registration of trademark number 59228 "WEATHERGUARD" in the names of the Respondent.

7- Section 63(1) of the Trademarks Act states:

> "Where under this Act an applicant has an option to make an application whether to the court or to the registrar—
> (a) if an action concerning the trademark in question is pending, the application must be made to court..." (*underlining mine*)

8- Under section 88(1) of the Trademarks Act, the Applicant had the option of bringing these cancellation proceedings before the Registrar or the court. They brought the application before the Registrar. The issue then is whether an action concerning trademark number 59228 is pending in court such that the above expression of the *lis pendens* rule in the Trademarks Act would apply to these proceedings before the Registrar.

9- The Trademarks Act does not define what amounts to a pending question. The principle of the *lis pendens* rule is that it precludes one court from considering a case (*lis*) that is already pending (*pendent lite*) before another court concerning the same dispute. This rule was considered in the case of **Springs International Hotel Ltd v Hotel Diplomate Ltd and Another HCCS 227/2011**.

10- Although in that case the application of that rule was assessed in the context of the Civil Procedure Act, it is clear from the learned Judge's assessment that the question of a pending suit is a matter of fact looking at all circumstances including parties, claims and prayers in the ongoing suits.

11- Accordingly, in civil suit 892/2017 the Applicant is the plaintiff whereas the Respondent was later added as one of the defendants. The claim is for infringement and or passing off of the Applicant's mark TM 25166

"Weatherguard" and other getup. The prayers therein are injunctions, account of profits and destruction of infringing items.

12- I have noted that even though the defendant (Respondent herein) filed their statement of defence on 15th May 2018 after the certificate of registration for TM 59228 was issued (it was issued on 4th May 2018), the defendant/Respondent did not plead registration of TM 59228 "Weatherguard" for their defence.

13- With respect of civil suit 918/2017 where the Respondent is one of the plaintiffs and the Applicant is the defendant, the claim is for cancellation of TM 25166 "Weatherguard" as well as declaration that the Respondent/plaintiff has an equitable right in an unregistered mark.

14- The defendant (Applicant herein) in suit 918/2017 filed their defence and counterclaim denying the plaintiff's (Respondent) claims and countering with claims of infringement of TM 25166. The counterclaimant prays for injunctions and damages.

15- From the aforementioned pleadings it is clear that the validity of TM 59228 "Weatherguard" is not in issue either directly or substantially in the cases before court. Whereas I wish not to speculate on conduct of this matter in court in the face of this glaring omission, it is my opinion that the question before the Registrar namely validity of registration of TM 59228 "Weatherguard" in the names of the Respondent is not pending in court atleast at the time these proceedings were brought notwithstanding, that the parties are the same or that the court matters were filed earlier than the cancellation proceedings.

16- Section 63(1)(b) of the Trademarks Act states:

> "Where under this Act an applicant has an option to make an application whether to the court or to the registrar—
> (a) …;
> (b) if in other case the application is made to the registrar, he or she may, at any stage of the proceedings, refer the application to

the court or he or she may, after hearing the parties, determine the question between them."

17- I have chosen to determine the question between the parties.

18- The issue in these cancellation proceedings is that the Respondent's mark was unlawfully registered.

19- When the matter came up for hearing on the 19th June 2019, the parties agreed that:

i. The Applicant is the registered proprietor of trademark No. 25166 "Weatherguard" which registration has been subsisting since 18th November 2002 to date albeit with a change of name of proprietor.

ii. The Respondent is also the registered proprietor of trademark No. 59228 "WEATHERGUARD" which registration has been subsisting since 14th July 2017.

20- It was also not disputed that both marks were similar and that both registrations were in respect of the same goods.

21- The Applicant argues that registration of the mark in issue was prohibited under section 25 of the Trademarks Act. That section 25 uses a mandatory verb "shall" which according to the Applicant places an unequivocal obligation on the Registrar not to register a similar mark if another already exists on the register. That once the Registrar has satisfied themselves that there is another similar mark on the register, there is no more discretion to exercise and any further action to the contrary will be unlawful.

22- The Respondent on their part argued that section 25 Trademarks Act does not displace the Registrar's discretion. That use of the word "shall" is not as of right a mandatory direction. The Respondent cited **Kabandize v KCCA SCCA 13/2014**. That the Registrar has discretion to determine how an application should proceed.

23- First things first, the authority to rectify the register is provided under Section 88 (1) of the Trademarks Act which states:

> "A person aggrieved by an omission, entry, error, defect or an entry wrongly remaining on the register, may apply in the prescribed manner to the court and subject to section 64, to the registrar, and the court or the registrar may make an order for making, expunging or varying the entry as the court or the registrar, as the case may be, may think fit."

24- As to whether the Applicant is an aggrieved person to bring this application, McLelland J In the case of **Ritz Hotel Ltd v Charles of the Ritz Ltd (1988) 15 NSWLR 158,** held:

> *"Decisions of high authority appear to me to establish that the expression has no special or technical meaning and is to be liberally construed. It is sufficient for present purposes to hold that the expression would embrace any person having a real interest in having the Register rectified, or the trade mark removed in respect of any goods, as the case may be, in the manner claimed, and thus would include any person who would be, or in respect of whom there is a reasonable possibility of his being, appreciably disadvantaged in a legal or practical sense by the Register remaining unrectified, or by the trade mark remaining unremoved in respect of any goods, as the case may be, in the manner claimed."*

25- In my opinion the Applicant is an aggrieved party.

26- The Applicant according to the evidence of Mr. Chris Nugent (para.17 and 18 of the statutory declaration) is aggrieved by registration of the word mark "WEATHERGUARD" in the names of the Respondent vide TM 59228 for the same goods. And further that this registration was in error as the trademarks law prohibits registration of a resembling mark where a similar mark already exists on the register (see para. 22 and 23 of Mr. Nugent's statutory declaration).

27- The Respondent's response is that they followed all the procedural steps to register trademark TM 59228 "WEATHERGUARD" (see para 10 and

11 of Mr. Gideon Pieter Nieuwoudt's statutory declaration). This statutory declaration did not indicate where it was signed but the Applicant, I suppose in the interest of substantive justice did not protest.

28- Section 25(1) of the Trademarks Act states:

"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."

29- I do not agree as the Applicant argues as hereinabove mentioned that this section curtails the Registrar's discretion in prosecution of applications with only the exception of concurrent use under section 27 of the Trademarks Act. In my opinion section 25 is the general rule which has exceptions that apply as circumstances may allow.

30- These exceptions have to be defined by the law such as with section 26 or 27 or 41 of the Trademarks Act. It was incumbent upon the Respondent to show that the registration of a resembling mark to TM 25166 registered earlier fell into a given exception and is provided by the law; otherwise such later registration would be invalid on account of section 25.

31- The Respondent stated that they have been using a mark "Sadolin Weatherguard" from 1st September 2010 via a licensing agreement with the Applicant's predecessors in title (see para 7 of Mr. Nieuwoudt's statutory declaration). The Applicant does not specifically rebut this usage but states that the licensing agreement came well after the Applicant's predecessors in title had registered their trademark TM 25166 "Weatherguard" (see para. 8 of Mr. Nugent's statutory declaration).

32- In effect the Respondent does not argue that their registration of TM 59228 is derived from any vested interests as provided under section 41 of the Trademarks Act for there is no evidence that they (the Respondent) were using the mark prior to the registration or usage of the mark Weatherguard by the Applicant.

33- Accordingly, I find that the registration of TM 59228 "Weatherguard" in the names of the Respondent from 14 July 2017 was done in error since it resembles TM 25166 "Weatherguard" in the names of the Applicant which registration has been maintained on the register since 9th September 2002 and applies to similar goods.

34- I therefore, order that TM 59228 "Weatherguard" in the names of Akzo Nobel Coatings International BV be expunged from the register. The Respondent shall also bear the cost of these proceedings.

Dated this 31st day of July 2019

AGABA GILBERT
Asst. REGISTRAR TRADEMARKS