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**DH Brothers Industries (PTY) Limited vs. Olivine Industries (PTY)
Limited (Appeal No. 74/2010) [2012] ZMSC 17**

Chanda N. Tembo

The Facts

The Respondent, Olivine Industries, applied to the Registrar of Trade Marks (The “Registrar”) for the registration of the mark ‘Daily’ under Class 3 of the Trade Marks Act.¹ The registration was with respect to “*its bleaching preparations and other substances for laundry use such as cleaning, polishing and abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotion and dentifrices.*”² The Appellant, DH Brothers, opposed the Respondent’s application on the grounds that the Appellant was the true proprietor of the mark “Daily”. The Appellant also advanced the “prior use” argument, noting that it had been using the unregistered mark since 2003. Deciding in favour of the Respondent, the Registrar allowed the registration of the mark on the ground that the Appellant’s mark was not registered under the Act, and was therefore not entitled to protection under the Act. This was notwithstanding the fact that the Appellant demonstrated prior use of the mark ‘Daily’ for a similar class of goods.

Aggrieved by this decision, The Appellant appealed to the High Court. The High Court upheld the Registrar’s decision. The Appellant then appealed to the Supreme Court.

The Holding

The crux of the Registrar’s decision, as upheld by the High Court and by the Supreme Court, was that the Act does not offer protection to unregistered marks, and that consequently, the proprietor of an unregistered mark cannot prevent the registration of a similar or identical mark under the Trade Mark Act. An aggrieved proprietor of an unregistered mark can therefore not invoke Sections 16 and 17 of the Act.³ Section 16 pertains to the prohibition

¹ Cap 401 of the Laws of Zambia (The “Act”).

² Class 3, Classification of Goods, The Fourth Schedule to the Act

³ In this case the Supreme Court refused to accept the argument made by the Appellant that relied on an English case, *The Trade Marks Act, 1938 and Koyo Seiko Kabushiki Kaisha’s* in the Reports of Patent, Design and Trade Mark Cases, vol. LXXI No.19, London, 1954. In that case, it was held that a corresponding Section 11 of the United Kingdom Trade Marks Act (which was transplanted into the Zambia Trade Mark Act unchanged as Section 16) was available to proprietors of an unregistered mark, while section 12 under the 1938

of the registration of marks that are likely to deceive or confuse consumers or the general public in the course of trade,⁴ while Section 17 provides for the prohibition of the registration of marks with respect to any goods or the description of goods that are identical or closely resemble a mark already registered under the Act.⁵

Of central concern in this commentary is Section 7 of the Act, the section on which the courts based their decision. Section 7 provides that “no person shall be entitled to institute any proceedings to prevent or to recover damages for the infringement of an unregistered trade mark, but nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof.”⁶

Significance: Key Unresolved Questions

Marks Capable of Registration

In considering the question of which marks are eligible for registration under the Act, the Supreme Court should have drawn its mind to the question of whether the mark “Daily”, a common English word of keen use, was registrable under the Act. Before delving into a more detailed consideration of this issue, it is important to consider what a mark is.⁷ The

Act (which corresponds with Section 17 of the Zambian Act) was only available to proprietors of registered marks. The Supreme Court in the case in *casu* on the contrary held the view that the whole Act was not available or applicable, unless as expressly provided, to unregistered marks. It must be noted that the Trade Mark Act of the United Kingdom of 1938 (available at http://www.legislation.gov.uk/ukpga/1938/22/pdfs/ukpga_19380022_en.pdf) was repealed and replaced in 1994 by the British Trade Marks Act of 1994 (available at http://www.wipo.int/wipolex/en/text.jsp?file_id=127270).

⁴ Section 16, of the Act; this is because trade marks as economic tools are conveyors of economic information regarding the quality or other attributes of goods or services being sold so as to facilitate purchase decisions in the course of trade. See B. G. Ramello, (2006) ‘What is in a Sign? Trademark Law and Economic Theory?’ *Journal of Economic Surveys* 20, 4, 547-565, 549; Deceiving or confusing consumers in the course of trade are therefore likely to prejudice the economic interests of the proprietor of the legitimate and registered mark.

⁵ *Ibid*, Section 17

⁶ Section 7, of the Act; See also Section 2(1) of the UK Trade Mark Act of 1994 and Section 27(1) and (2) of the Indian Trade Mark Act of 1999

⁷ A trade mark is defined as a mark, “*except in relation to certification marks, which is used or proposed to be used in relation to goods for purposes of*

Act establishes a Register of trade marks which is divided into four parts: Part A, Part B, Part C and Part D.⁸ A mark is capable of registration under any of these parts if it has some element of distinctiveness. In the context of trade mark law, ‘distinctiveness’ is the ability to distinguish and differentiate the goods and services of one business from competing businesses.⁹

The degrees of distinctiveness varies between the four parts, particularly between Part A and Part B. Section 15 of the Act requires that marks registerable under Part B of the Trademark Register:

must 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 proprietor of the trade mark is or may be connected in the course of trade, from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration.¹⁰

This means that a mark’s ability to distinguish can increase with use over time. However, for trademarks registerable under Part A of the Act, the ability to distinguish is higher, because the Act requires that these marks must be inherently distinct or inherently capable of distinguishing goods of competing businesses. This means that the mark ‘Daily’, unless modified through fancy representation for instance, would not qualify for registration under Part A of the Register. It follows however that the mark ‘Daily,’

indicating for, or so as to indicate, a connection in the course of trade between the goods and some person having the right either as proprietor or as a registered user to use the mark, whether with or without any indication of the identity of the person.” (Section 2 of the Act); marks which are defined as including a “*device, brand, heading, label, ticket, name, signature, word, letter, numerical or a combination thereof.*” (Section 2 of the Act)

⁸ Ibid, Section 6(2)

⁹ A. Taubman, *et al.*, (2012) *A Handbook on the WTO TRIPS Agreement*. Cambridge University Press, 57; Section 14(2) of the Act states that a trade mark is said to be distinctive if it is “*adapted in relation to goods in respect of which a trademark is registered or proposed to be registered, to distinguish goods with which the proprietor of the trademark is or may be connected in the course of trade ...*”

¹⁰ Ibid, Section, 15

being less distinctive, would most likely be eligible for registration under Part B of the Register.

The Availability for Registration of Common Words under the Trademarks Act

One of the key functions of a trademark is to minimise the cost of information in the course of trade.¹¹ By branding goods and services, trademarks act as communication tools. Common nouns and adjectives are generally said to be ‘inappropriable’ through trademark and therefore available for all businesses to use in the course of trade. If common words were permitted to be monopolised through appropriation in the course of trade, this would increase the cost of information for other businesses, who must in turn find alternative expressions through words or signs to identify goods and services. In the course of its decision, the Court should have applied its mind to the question of whether “Daily” was a common word, and if so, whether it was capable of registration.

Common words in trademark law are also known as generic words or marks. Something is said to be generic or common if it is “shared by, including or typical of a group of people.”¹² Common words are therefore unavailable for monopolisation since the words are available for all to use. From a legal standpoint, no one person or business has the right to appropriate a common or generic word and stop others from using that word in the course and scope of their business. The law however, does provide an exception. If a party wishes to register a common or generic mark, the Registrar will require the proprietor of the mark to enter a disclaimer notifying the public that the proprietor is aware that the proprietor has no exclusive right or monopoly over the common word, and thus has no right to restrict or prevent others in Zambia from utilising the generic word.¹³ In Zambia a good example of disclaimers applied to common words would relate to the common word ‘Manzi’ in the trade mark ‘ManziValley’ owned by Natural Valley Limited. ‘Manzi’ in some local Zambian languages literally means water. ‘Water’ or ‘Manzi’ are both common words that, unless adapted for instance through fanciful writing, are not available for absolute appropriation or monopolisation through trademarks.

¹¹ Ramello B.G. (2006) ‘What is in a Sign? Trademark Law and Economic Theory.’ *Journal of Economic Surveys* 20, 4, 547-565; 552

¹² *Oxford Advanced Learner’s Dictionary*. (2006) 620

¹³ See Sections 19, 36, and 39(1)(e) of the Act

Should Passing Off be Pleaded Specifically in an Opposition Action?

This case raised both substantive and procedural issues. Substantively, while the proper court of first instance was indeed the High Court, the action brought by the Appellant was defective because as stated above, Section 7 of the Act bars any action brought under the Act that relates to an unregistered mark. From a procedural perspective, the initial action was defective because the action was improperly brought before the courts. This is because passing off has to be pleaded as a common law tort and not under the Trade Marks Act.

In addition, there is unanimous precedent that states that where commencement of a civil matter is prescribed by law, commencement of proceedings must conform to the prescribing law.¹⁴ Thus, where a litigant departs from the prescription of law with regard to the mode of commencing an action, such commencement must be treated as defective. This means that passing off has to be specifically pleaded as a common law tort under a separate action against the infringing party in accordance with the High Court Rules. The court should have guided the Appellant to this effect.

Conclusion

All in all, the Court's decision might have been a more effective development of intellectual property law if it had considered the unresolved issues above.

¹⁴ *Newplast Industries V the Commissioner of Lands and the Attorney General.*