# INTELLECTUAL PROPERTY TRIBUNAL

19-HH-378

19-IPT-001

### Aktiengesellschaft. B v Millborrow Animal Health (Zim)(Pvt) Ltd

14 February 2018 & 29 May 2019

#### **HUNGWE J President**

[— It is assumed the above appointment of a **President** of this **Tribunal has** been made - under section 6 of **Act 32 of 2004- Editor**]

# BAYER AKTIENGESELLSCHAFT Applicant Versus

MILLBORROW ANIMAL HEALTH (ZIMBABWE) (PVT) LTD Respondent Trade Marks – appeal against decision of the registrar – rectification of mark by the Tribunal

Practice and Procedure — public policy — breach of principles of natural justice — audi alteram partem — parties have a right to challenge evidence presented before forum before final decision

In 2009 the appellant submitted an application for registration of its HI-TET trade mark under application number 508/2009. ZIPO issued a notice of conditional acceptance for registration. Appellant had previously filed that application. Appellant advised that the two marks could not be associated since mark number 428/2002 had lapsed. Appellant's application was later accepted. During this period, appellant was aware that respondent had previously held a registration for HITET under mark number 205/1989. On 23 June 2015 respondent filed an application for expungement of trade mark number 508/2009 with the Registrar of Trade Marks on the basis of trade mark number 205/1989 that was already on the Register. on 1 March 2017 the Registrar of Trade Marks granted the application without inviting the appellant to make representations before making the decision.

**Held**: In the context of administrative decision-making, the *audi alteram partem* rule requires that a decision affecting a person's right or his legitimate expectation of receiving a benefit, advantage or privilege should only be made after hearing first from that person and taking into account what he or she had said. The Administrative Justice Act Section 3 (1) of the Administrative Justice Act, [*Chapter 10:28*] provides that "an administrative authority which has the responsibility or power to take any administrative action which may affect the rights, interests or legitimate expectation of any person" must act in a fair manner.

## Cases considered

Associated Provincial Picture Houses v Wednesbury Corporation [1948] 1 KB 223; [1947] FWCA

Bowring N.O v Vrededorp Properties LL and Another 2007 (5) SA 391 (SCA)

Hama v National Railways of Zimbabwe1996 (1) ZLR 664 (JC)

House of Lords in Council of Civil Service Unions v Minister for the Civil Service [1984] 3 All ER 935

Judicial Service Commission and Another v Cape Bar Council and Another 2013 (1) SA 170 (SCA)

Mabuto v Women's University in Africa & Ors 2015 (2) ZLR 358 (H)

Ncube v Deputy Maser N.O & Anor 16-HB-034

Telecel (Pvt) Ltd v Postal & Telecommunications Regulations Authority of Zimbabwe & Ors 2015 (1) ZLR 651 (H)

Legislation considered

Administrative Justice Act [Chapter 10:28] s 3 (1)
Constitution of Zimbabwe Amendment (No.20) Act 1 of 2013 s 68
High Court Act [Chapter 7:06] s 26
Trade Mark Regulations 2005, SI 170 of 2005 s 60 (1)
Trade Marks Act [Chapter 26:04] s 14, s 15, s 32, s 37, s 38, s 39, s 64,s 68, s 75
Ms G.T Nyamai with Ms L Takaendesa, for the appellant

M. Nkomo, for the respondent

#### **Appeal from the Registrar of Patents and Trade Marks**

1. **HUNGWE J**: This appeal is brought against the decision of the Registrar of Trade Marks dated 1 March 2017.

#### [See Editor's Note above]

- 2. The appellant is a holder of a trade mark "HI-TET". This trade mark was issued on 7 June 2010. The respondent had previously registered its own trade mark "HITET" under mark number 205/1989. Upon gaining knowledge of the registration of the appellant's trade mark, the respondent entered into correspondence with the Registrar.
- 3. Respondent then applied for the expungement of appellant's trade mark. The registrar acted on this application by notifying the appellant that its trade mark had been expunged. This action prompted the appeal whose background is as follows:

#### **Background to the appeal**

- 4. In 2009 the appellant submitted an application for registration of its HI-TET trade mark under application number 508/2009 to the Zimbabwe Intellectual Property Office ("ZIPO"). ZIPO issued a notice of conditional acceptance advising that the mark was acceptable for registration on condition that the appellant agreed to the mark's association with mark number 428/2002. Appellant had previously filed that application.
- 5. Appellant advised that the two marks could not be associated since mark number 428/2002 had lapsed. Appellant's application was later accepted. It was advertised in the Zimbabwe Intellectual Property Journal dated 17 February 2010 for anyone wishing to object to the application to do so. The period of objection expired on 17 April 2010 without anyone lodging an objection. Thereafter applicant applied for a certificate of registration for its trade mark. ZIPO issued the certificate on 7 June 2010.
- 6. During this period, appellant was aware that respondent had previously held a registration for HITET under mark number 205/1989. This was disclosed during respondent's objection to appellant's application for registration of mark number 428/2002. Appellant also became aware that mark number 205/1989 in respondent's name had lapsed due to non-payment of renewal fees with effect from 29 March 2009.
- 7. On 23 June 2015 respondent filed an application for expungement of trade mark number 508/2009 with the Registrar of Trade Marks on the basis of trade mark number 205/1989 that was already on the Register. Records held at the ZIPO registry showed that trademark 205/1989 had only been renewed on 18 May 2011.
- 8. In response to the respondent's application for expungement, on 1 March 2017 the Registrar of Trade Marks granted the application. In effect the mark number 508/2009 was expunged without inviting the appellant to make representations before making the decision.
- 9. The Registrar of Trade Marks gave his reasons in a letter dated 14 March 2017 as follows:
  - "The Zimbabwe Intellectual Property Office hereby confirms that the Trade Mark Number 508/2009 was indeed, just registered in error and need not have been registered in the first place. In terms of s 15 (1) (a), 15 (1)(b) and 14 (1) (a) and 14 (1) of the Trade Marks Act [Chapter 26:04] Trade Mark Number 508/2009 is a mark in conflict with Trade Mark Number 205/1989.

In our view and to anyone's open observation, it needed not have proceeded to registration and as such did not deserve to undergo an expungement proceeding hearing being a mere wrong entry in the register arising from an examination error."

#### Preliminary objection by the respondent

- 10. At the hearing of this appeal, the respondent raised two points in *limine* objecting to: -
  - (a) The procedure adopted by appellant in bringing the matter before the Tribunal; and
  - (b) The non-joinder of the Registrar of Trade Marks.
- 11. I dismissed the objection and indicated that my reasons will appear in the main judgment. These are my reasons.
- 12. Respondent submitted that a party who is aggrieved by procedural irregularities must approach a higher court by way of review. Respondent relied on s 26 of the High Court Act High Court Act [Chapter 7:06] for this contention. The submission by the respondent was that because the appellant relied on procedural irregularities committed by the Registrar, appellant ought to have approached this court by way of review. It was submitted further, on respondent's behalf that s 75 of the Trade Marks Act, Trade Marks Act [Chapter 26:04] confirms that appellant can only seek or approach this Tribunal by way of review.
- 13. Respondent's argument would have been on sound footing had this matter been brought in terms of common law. The fact is that the rules of access to the Tribunal are prescribed in the Act. Sections 64 68 of the Trade Marks Act, [Chapter 26:04] (the Act"). Where a review of the decision of the Registrar is contemplated, the Act permits this Tribunal to exercise such powers where an application is brought in terms of section 37 of the Act
- 14. Only in an infringement action brought before the High Court is the joinder of the Registrar obligatory. **Section 72 of the Act**. This must follow as a matter of course because in such an action, the Registrar's views are relevant for the determination of the issue before that court. The Act entitles the Registrar to appear as he deems fit but where rectification is the subject of a proceeding, it is up to the Tribunal to seek the Registrar's views or not to do so.
- 15. **Section 74 of the Act**. The grounds of appeal implicates issues of substantive law and of procedure. As such the appellant was at large as to the procedure to adopt in accessing the Tribunal.
  - Consequently I find no merit in this argument.
- 16. Respondent took the point *in limine* that appellant ought to have joined the Registrar of Trade Marks in this appeal and therefore by not joining him to this appeal, the appeal was fatally defective.
- 17. I am unable to follow the respondent's argument on this point. Parties may only be joined as a matter of necessity not convenience. It seems to me that because respondent cannot account for its sudden good luck in getting its trade mark registered and that of the appellant expunged, it now wishes that appellant had joined the Registrar to explain how this happened.

That can never be a basis for seeking a joinder.

It is only necessary to join a party if the party sought to be joined would be prejudicially affected by the judgment of the court or tribunal.

18. In Judicial Service Commission and Another v Cape Bar Council and Another 2013 (1) SA 170 (SCA) the court held that:

"It has by now became settled law that the joinder of a party is only required as a matter of necessity - as opposed to a matter of convenience – if that party has a direct and substantial interest which may be affected prejudicially by the judgment of the court in the proceedings concerned (see e.g. Bowring N.O v Vrededorp Properties LL and Another 2007 (5) SA 391 (SCA) para 21.) The mere fact that a party may have an interest in the outcome of the litigation does not warrant a non-joinder plea. The right of a party to validly raise the objection

that other parties should have been joined to the proceedings has thus been held to be a limited one."

- 19. The test is whether or not a party has a direct and substantial interest in the subject matter of the litigation which may be affected prejudicially by the judgment of the court.
- 20. Clearly, the Registrar of Trade Marks, being an administrative authority, does not have any interest in the matter in the sense set out above. In his official capacity his interest is to comply with whatever this Tribunal decides in respect of how to execute his duties. He or she may be cited only for that purpose but not for the purpose of defending his/her rights. He/she has none, as a neutral arbiter or authority.
- 21. If the Tribunal required his or her views, it is up to this Tribunal to indicate how those views on any matter should be placed before it. In any event the Registrar is expected to give reasons for any action or decision which is made in the course of duty which decision must be in writing. Once a decision is given, procedurally that office is rendered *functus officio*.

In the result therefore I find no merit in the contention by Mr Nkomo for the respondent.

I now proceed to consider the merits of this appeal.

- 22. Ms *Nyamai*, for the appellant attacked the decision expunging appellant's trade mark on several fronts. I understood her to make the following points:
  - (i) First, she contended that the application for expungement placed before the Registrar of Trade Marks was fatally defective. As such it ought to have been dismissed.
  - (ii) Second, the Registrar failed to observe the basic notions of fairness and justice by making a decision which was prejudicial to the appellant without hearing appellant's side. The registrar failed to comply with the law. Consequently, his decision is liable to be set aside.
  - (iii) Third, the respondent, on the papers presented to the Registrar, did not discharge the onus placed on it before its application could succeed. Having failed to discharge the evidentiary onus on it, respondent's application ought to have been dismissed.
  - (iv) Fourth, in arriving at a finding that appellant's trade mark registration was "a mark obtained by fraud" the Registrar acted irrationally.
  - (v) Fifth, Registrar's finding that appellant's trade mark was in contravention of s 15 (1) (a) and (b) as it amounted to "free riding on the good will and reputation of trade mark number 205/1989 and that it was "deceiving and causing confusion to the buying public as to who owns the animal health products" was irrational.
- 23. Mr *Nkomo* for the respondent argued that it is apparent from the Registrar's determination that the registration of appellant's Trade Mark offended s 15 (1) of the Trade Mark Act. That section prohibits the registration of identical or resembling trademarks.
- 24. The difference in the trade mark is reflected in that appellant's trademark is "HI-TET" whilst the respondent is "HITET" and therefore appellant's trademark, being the later in registration, nearly resembles respondent's which was already on the register and was likely to deceive or cause confusion.
- 25. In Mr *Nkomo's* estimation, the Registrar correctly exercised his discretionary powers in terms of s 38 of the Act by expunging appellant's trade mark.

#### Whether respondent's application in terms of s 37 is defective?

- 26. Where an interested party has sufficient reason to believe that a trade mark ought to be expunged from the Register, he/she may make an application in terms of s 37 of the Act, as read with s 60 (1) of the Trade Mark Regulations. Trade Mark Regulations, S.I. 170 of 2005
- 27. Respondent applied to the Registrar for the expungement of appellant's trade mark in terms of s 37 of the Act. The Regulations require that an application in terms of this section be in Form TM 28 and accompanied by a statement in duplicate setting out fully the nature of the

applicant's interest and the facts upon which the applicant relies as well as the relief applicant seeks.

- 28. Where the registered proprietor did not make the application, the Registrar, shall forthwith send a copy of the notice and the statement to the registered proprietor. The rules provide that within two months of receipt of the copy of application, sent in terms of s 60 (2) of the Regulations, the registered proprietor shall lodge with the Registrar a counter-statement in a prescribed form setting out the grounds on which he or she contests the application. The rules provides for the filing with the Registrar, affidavit of evidence by the parties and all other evidence to the Registrar of the Tribunal. A decision is then made.
- 29. In the present matter respondent filed only the application for expungement in Form 28. The Statement of Case was never filed with the Registrar. The Registrar, it would appear did not request for such a statement from the respondent. Although appellant wrote to the Registrar on several occasions requesting for it, the Registrar failed or neglected to ensure that such a statement was made available by the respondent.
- 30. This was why appellant sought several extensions of time within which to file its counter-statement. Whilst the Registrar granted the extensions, the Registrar did not require respondent to file the Statement of Case or at least put him on terms. Instead of filing the Statement of Case, respondent demanded that the Registrar acts on its application. The Registrar complied and wrote confirming the expungement of applicants' trade mark.
- 31. If the Registrar felt that he had to make a decision, such a decision had to be guided by some basic sense of fairness and justice. Had he acquainted himself with the provisions of the Act and the Regulations, he would have realised that he could not lawfully do what he did. The expungement of appellant's trade mark was carried out notwithstanding that the Regulations prohibited him from expunging the trade mark from the register on the grounds that the registered proprietor had not filed a counter-statement. Section 61 (2) of S.I. 170/2005
- 32. Clearly the Registrar acted prematurely and precipitately when he removed the appellants registered trade mark from the Register. Closely related to this is the question whether the *audi alteram partem* rule was breached, in light of the claim that the Registrar acted within his discretion.

#### (b) Was audi alteram partem rule implicated?

- 33. Appellant argued that the rule of natural justice was breached when a decision affecting it was reached without the Registrar hearing it on the matter. This was in spite of the fact that the Trade Mark Regulations specifically required him to invite representations from both the respondent and the applicant before taking any administrative action.
- 34. For its part, the respondent argued that s 37 of the Act permitted the Registrar to rectify any error by expunging, or varying the entry as he deems fit, on application by any party aggrieved by a matter on the Register. Respondent submitted that the wide discretion reposed in the Registrar did not require or entitle that another party be heard in opposition.
- 35. Section 37 of the Trade Marks Act provides:

#### "37 General power to rectify entries in Register

- 1. Any person aggrieved by:
  - (a) The non-insertion in or omission from the Register of any entry, or
  - (b) Any entry made in the Register without sufficient; or
  - (c) Any entry wrongly remaining on the Register or
  - (d) any error or defect in any entry in the Register may apply in the prescribed manner to the Tribunal or, at the option of the applicant and subject to section seventy-seven, to the Registrar, and the Tribunal or the Registrar, may make such order for making, expunging or varying the entry as the Tribunal or the Registrar may thing fit,

- 2. In any proceedings under this section, the Tribunal or the Registrar may decide any question that it may be necessary or expedient to decide in connection with the rectification of the Register.
- 3. Where the Registrar is of the opinion that there may have been any fraud in the registration, assignment or transmission of a registered trade mark, he may himself apply to the Tribunal under this section.
- 4. Any order of the Tribunal rectifying the Register shall direct that notice of the rectification shall be served in the prescribed manner on the Register, and the Registrar shall, on receipt of the notice, rectify the Register accordingly.
- 5. The power to rectify the Register conferred by this section shall include power to alter a registration in Part A of the Register to a registration in Part B of the Register."
- 36. Upon receipt of an application, the Registrar is obliged to send the copy of the Notice and the Statement of Case to the registered proprietor of the trade mark against which the application is brought. Section 60 (2) of the Regulations S.I. 170/05. The content of the application made under s 32 of the Act is spelt out in s 60 (1) of the Regulations.
- 37. The provisions of s 37 of the Act unambiguously require that where an application by a party who is not the holder of the trade mark is made to the Registrar, the Registrar adopts the procedure set out in s 60 (1) of the Regulations.
  - That section entrenches the audi alteram partem rule.
- 38. In the context of administrative decision-making, the *audi alteram partem* rule requires that a decision affecting a person's right or his legitimate expectation of receiving a benefit, advantage or privilege should only be made after hearing first from that person and taking into account what he or she had said.
- 39. The Administrative Justice Act Section 3 (1) of the Administrative Justice Act, [Chapter 10:28] provides that "an administrative authority which has the responsibility or power to take any administrative action which may affect the rights, interests or legitimate expectation of any person" must act in a fair manner.
- 40. In order to achieve procedural fairness, an administrative authority must give adequate notice of the nature and purpose of the proposed action. It must also give reasonable opportunity to make representations and give adequate notice of any right of review or appeal where applicable.
- 41. The Regulations Section 60 (1) of the Regulations (*supra*) promotes the values of procedural fairness and just administrative action enshrined in the Administrative Justice Act. Therefore, when the Registrar was seized with respondent's application over the same trade mark in respect of which he had accepted the appellant's application, he was obliged to observe the requirements of both the Act and the Regulations. He failed to do so.
- 42. The right of individuals to administrative conduct which is lawful, fair and reasonable has been elevated to a constitutional right. The Constitution provides;
  - 68 (1) Rights to Administrative Justice
    - Every person has a right to administrative conduct that is lawful, prompt, efficient, reasonable, proportionate, impartial and both substantively and procedurally fair.
    - (2) Any person whose right, freedom, interest or legitimate expectation has been adversely affected by administrative conduct has the right to be given promptly and in writing the reasons for the conduct.
    - (3) An Act of Parliament must give effect to these rights and must—
      - (a) Provide for the review of administrative conduct by a court or, where appropriate, by any independent and impartial tribunal.

- (b) Improve a duty on the State to give effect to the rights on subsections (1) and (2) and;
- (c) Promote an efficient administration.
- 43. As pointed out by MATHONSI J in Ncube v Deputy Maser N.O & Anor 16-HB-034:-
  - "Official power affecting the rights and interests of individuals must be exercised fairly in that decisions should be averred at fairly, that is impartially in fact and in appearance giving the affected person an opportunity to be heard. Telecel (Pvt) Ltd v Postal & Telecommunications Regulations Authority of Zimbabwe & Ors 2015 (1) ZLR 651 (H); Mabuto v Women's University in Africa & Ors 2015 (2) ZLR 358 (H)."
- 44. Respondent sought to justify the Registrar's unilateral action rectifying the Register as conduct permitted under s 37 (2) of the Act. Could such discretion be exercised in the manner that the Registrar conducted himself in light of the fact that he had already accepted appellant's application?
  - I am unable to agree that the Registrar had discretion to rectify the register without inviting the representations from the party of adversely affected by such rectification.
  - In fact such a power, if it existed, would be *ultra vires* both the Act and the Constitution. It simply does not exist.
- 45. I can perceive of a situation that might arise where a glaring typographical clerical error is apparent in the Register. It may relate to the name of the party or the date of entry which can easily be corroborated by other evidence. Such an error is capable of rectification or correction by the Registrar *mero motu*, without his being prompted, if it does not adversely affect the rights of other parties.
- 46. Even then, where such a correction apparently adversely affects third parties, it is incumbent upon the Registrar to give notice of his intended action and invite representation from them. An exercise of discretion, in order to qualify as such, ought to be within the strict confines of the law prescribing the discretion in question.
- 47. In other words, unless judicially exercised, any discretionary conduct which is ultra vires the enabling Act, or Regulations is arbitrary and therefore unlawful. Where an administrative authority acts in the exercise of his discretion after hearing only one side to a dispute it cannot be said to have acted fairly, but was not impartial and therefore biased.

# (c) Whether the respondent's application filed with the Registrar discharged the evidentiary onus?

- 48. As demonstrated above, an applicant for the registration of a trade mark may get an approval of his tread mark if he complied with the requirements in both the Act and the Regulations. Where however that application is opposed, an applicant bears the onus to show, by evidence laid before the registrar, that in fact he is entitled to the registration of his mark. The Act and the Regulations set out the form such evidence ought to take and how it is placed before the Registrar. It Comprises of Statement of Case in the main. This the respondent never placed before the Registrar.
- 49. There is therefore no basis upon which the Registrar could have considered something that was not placed before him for his attention. What this means is that the respondent did not discharge the evidential burden placed upon it by law. Consequently, the order granting the application was procedurally flawed. It cannot be allowed to stand.
- 50. For some reason not clear on the papers the Registrar did not comply with the duty imposed upon his office by law. He took a decision adversely affecting the established rights of a party without first having heard that party. He acted in favour of a party who had not furnished him with the statutorily required evidence and granted an order on some other basis.

Such a decision is liable to be set aside.

(d) Whether the findings made by the Registrar are irrational?

51. The last two grounds of appeal against the Registrar's decision contained in his letter of 14 March 2015 suggest that the Registrar acted in terms of ss 14 and 15 of the Regulations.

In that letter the Registrar states:

"The Zimbabwe Intellectual Property Office (ZIPO) hereby confirms that Trade Mark No. 508/2009 was indeed, just registered in error and need not have been registered in the first place.

In terms of s 15 (1) (a), 15 (1) (b) and 14 (1) (a) and 14 (1) (b) of the Trade Mark Act [Chapter 26:04] Trade Mark No. 508/2009 is a mark registered in conflict with Trade Mark No. 205/1989.

In our view and to every one's open observation, it need not have proceeded to registration and as such did not deserve to undergo an expungement proceeding hearing (sic); being a merely wrong entry in the register arising from an examination error.

In terms of s 39 (4) of the Trade Mark Act [Chapter 26:04]; mere removal of the Trade Mark from the Trade Mark Register is sufficient once the affected party is informed, as has already been done.

Finally, your client attempted to register HITET trade mark in class 5 for the same goods under trade mark No. 428/2002 but was blocked by Trade Mark No. 205/1989 owned by Millbrow Animal Health (Zimbabwe) (Pvt) Ltd. It somehow succeeded to register the same with (HITET) trade mark No. 508/2009 in class 5 for the same goods some twenty years down the line.

To ZIPO this showed some practiced intention to free rate on the good will and reputation of the first applicant, thereby dispossessing the first applicant of its intellectual property rights in Trade Mark No. 205/89.

From the foregoing we submit that the Registry's position in our letter to you dated 1 March 2017 is maintained.

Your client may proceed to the Tribunal if they are not happy with our decision."

- 52. Clearly, the appellant has every reason not to be happy with, firstly the manner in which the Registrar arrived at this decision; secondly, the decision itself; and, thirdly the basis or the reasons for the decision.
- As already demonstrated, the Registrar adopted a most unfair procedure by not inviting the appellant to make representations before making the decision. The Registrar was aware that the reason for the multiple applications for extensions of time within which to file counterstatements filed on appellant's behalf was the fact that neither the Registrar nor the respondent had favoured the appellant with a statement as required by section 60 (1) of the Regulations.
- 54. Besides, the Regulations peremptorily prohibited the Registrar from expunging the mark merely because a counter-statement had not been filed. Section 61 (2) of the Regulations, S.I. 170/05
- 55. The statement that the matter did not deserve to undergo an expungement hearing or proceeding has no basis in law. The Trade Marks Act required a hearing. The Regulations made thereunder provided the procedure for a hearing. The fact that a non-holder of a mark had made an application for expungement called for a hearing to be undertaken.
- 56. It is surprising therefore that the Registrar could adopt the attitude that he was entitled to take such arbitrary action as he did. He was not entitled and had no logical basis to do so. This was no "mere wrong entry" since in his own view, the registration process smacked of "fraud". It called for a full hearing. That hearing would have been necessary to establish whether, as he suspected, the registed mark of 508/2009 was obtained by fraud instituted by the appellant. It would have to be shown how it came to be that despite the existence on the Register of a similar mark 428/2002, his office had deemed it fit to register another one, 508/2009.

- 57. I make this observation because the submission by the appellant was that when it received registration of its mark No. 508/2009 the other mark 428/1989 had expired for want of payment of renewal fees. There had been no adverse response to the Notices published prior to registration as required by law.
- 58. On the face of it therefore, the registration secured by appellant was above board. The ZIPO office had acted transparently in respect of that matter. When suddenly there were allegations of fraud flying about, that same office did not seem willing to investigate those same allegations. It proceeded to expunge the mark from the Register without a hearing.
- 59. Besides, the Registrar, in its letter of 14 March 2017 relied on s 39 (4) of the Act in "correcting an error after giving notice." This argument is not born out by the facts. First this is not the basis upon which the expungement application was motivated. Respondent stated categorically that it applied for the expungement on the basis that it had since renewed its own trade mark No. 205/1989 which had lapsed.
  - Therefore, these two trademarks could not co-exist on the register.
- 60. Second, when the Registrar made his decision on 1 March 2017 to expunge the appellant's mark, the reason given was not based on s 39 (4) of the Act but on simultaneous appearance of similar marks on the Register in contravention of ss 14 and 15 of the Act. He alleged that the mark's registration had been obtained by fraud.
- 61. In an effort to justify his unilateral action, he states, at the end of the Notice Item 36 Erratum the Registrar;
  - "The Registrar hereby corrects the Register by expunging Trade Mark No. 508/2009 from the register."
- 62. Clearly, his finding of "fraud" and "free riding" in violation of ss 14 and 15 are not supported by evidence. In any event, the allegations had not, in any way, been put to the appellant for it to refute, before a decision determining the existence of fraud was made.
- 63. Irrationality as a ground of judicial review has its roots in Wednesbury unreasonableness. An administrative decision that is unreasonable may be quashed on the ground that it is irrational. This type of unreasonableness of public bodies' decisions was laid down in the English case of Associated Provincial Picture Houses v Wednesbury Corporation [1948] 1 KB 223; [1947] EWCA Civ 1 where it was said that a public authority acts unreasonably when a decision it takes is "so absurd that no sensible person could ever dream that it lay within the power of the authority." The Wednesbury unreasonableness was later to be equated with irrationality by the House of Lords in Council of Civil Service Unions v Minister for the Civil Service[1984] 3 All ER 935
- 64. As observed in a line of cases, of which *Hama* v *National Railways of Zimbabwe*1996 (1) ZLR 664 (JC) is one, it is now trite that irrationality is a ground of review in our jurisdiction. In my view the finding that the appellant obtained the registration of the trade mark by fraud is totally irrational.
- 65. Finally, in order for an application based on a fraud to have succeeded, the respondent ought to have discharged the onus upon it to satisfy the Registrar that in fact the registration was obtained by fraud. Assuming in respondent's favour that it adduced such evidence proving fraud, then in terms of s 37 (3) of the Act, where the Registrar held the opinion that the registration was fraudulently obtained, he was obliged to apply to the Tribunal in terms of that section, for the expungement himself.
- 66. He did not do so. He acted without hearing the proprietor of the registered trade mark. His actions breached the *audi alteram partem* rule. They are invalid.

Consequently, it is ordered as follows:-

- 1) That the appeal be and is hereby allowed.
- 2) The decision of the Registrar of Trade Marks dated 1 March 2017 be and is hereby set aside.

- 3) The appellants' trade mark No. 509/2009 HI-TET is restored on the register of Trade Marks.
- 4) The Registrar of Trade Marks be and is hereby directed to comply with the procedure set out in s 37 and 38 of the Trade Marks Act [Chapter 26:04] as reads with s 60 to 67 of the Trade Mark Regulations, 2005 in respect of respondent's application for expungement of Trade Mark No. 509/2009.
- 5) Respondent shall bear the costs of the appeal.

Honey & Blanckenberg, appellant's legal practitioners

Donsa-Nkomo & Mutangi Legal Practice, respondent's legal practitioners