

# HIGH COURT Harare

20-HH-050

*Gold Driven Tobacco (Pvt) Ltd v Maxiafrica Manufacturing (Pvt) Ltd*

18 October 2018 & 9 January 2020

MANZUNZU J

**GOLD DRIVEN TOBACCO (PVT) LTD Applicant**

**Versus**

**MAXIAFRICA MANUFACTURING (PVT) LTD Respondent**

**Delict — passing off — requirements — likelihood of deception — businesses with similar names, clientele, quality of goods, etc — likelihood of confusion — use of prefix — applicant’s reputation — goodwill — meaning — need to establish reputation and goodwill**

**Intellectual property — trade mark — infringement — whether i.t.o Trade Marks Act [Chapter 26:04] section 8**

**Interdict — requirements for — intellectual property — passing off actions — differences in tests for infringements of Trade Marks — costs**

The applicant says the trademark has been extensively used in Zimbabwe and as a result the applicant has secured and acquired good will in the marketing and sale of its cigarettes. Furthermore, applicant says has done adverts in promoting its “JINHUANG” cigarettes. On the other hand the respondent is an authorized trade mark licensee of “JINLONG”. The proprietor of “JINLONG” trademarks is a Mr Wong Hung Yuen who happens to be a director of the respondent and is the deponent to the opposing affidavit. The applicant’s and respondent’s products which are mainly cigarettes are largely targeting the Chinese community in Zimbabwe. The applicant complains that the respondent’s trade mark “JINLONG” infringes its trade mark “JINHUANG”. The two trademarks are in the Chinese language. Applicant alleges that Respondent’s trademarks encompass the applicant’s prefix “JIN” and the Chinese character equivalent too.

**Held:** The law of trademark protection has origins in both common law and statute. Trademarks are protected symbols needed by a consumer to distinguish between competing products and services in a market economy. They also show a connection between the goods and the right holder. This takes us to the question, whether it is permissible at law for one trade mark holder to interdict another trade mark holder for infringement.

In assessing the likelihood of confusion regard be to the surrounding circumstances including the nature and composition of the goods, origins of the goods, respective use of the goods, trade channels through which the goods are bought and sold and the classes of likely customers. The court must look at the probability of confusion or deception among purchasers or potential purchasers of the relevant goods. “JIN” means Zimbabwe as already stated. The question is should one be allowed to claim a monopoly over the prefix “JIN” a geographical indicator.

In my view it is against public policy to do so. The prefix “JIN” causes no confusion when it is used in combination with another mark.

## **Cases considered**

*Airfield Investments (Pvt) Ltd v Minister of Lands & Ors 2004 (1) ZLR 511*

*Bata Ltd v Face Fashions CC 2001 (1) SA 844 at 850.*

*Bon Marché (Pvt) Ltd v Brazier & Another 1984 (2) ZLR 50 (SC)*

*Econet Wireless Holdings v Minister of Information 00-HH-161 2001 (1) ZLR 373 at 374 B*

*Foods (Private) Limited 2003(1) ZLR 352*  
*Mobil Oil of Zimbabwe (Pvt) Ltd v Travel Forum 1990 (1) ZLR 67*  
*Bon Marche (Pvt) Ltd v Brazier 1984 (1) ZLR 127(HC)*  
*Pauline Mutsa Makoni v Julius Tawona Makoni & Ano 15-HH-820*  
*Policansky Brothers Ltd v L & H Policansky 1935 AD 89*  
*Puma AG Rudolf Dassler Sport v Global Warming (Pvt) Ltd 2010 (2) SA 600 (SCA)*  
*Roodezandt Ko-operatiewe Wynmakery Ltd v Robertson Winery (Pvt) Ltd and Anor. 13-SCA-503*  
*Setlogelo v Setlogelo 1914 AD 221*  
*Unilever PLC & Another v Vimco (Pvt) Ltd 04-HH-175*

#### **Legislation considered**

*Trade Marks Act, [Chapter 26:04] ss 8(1), 9A(2), 16 and 33(3)*  
*T Mafukidze, for the applicant*

*Adv.D Tivadar, for the respondent*

#### **Opposed Court Application**

1. **MANZUNZU J** This court application is for an interdict in terms of section 9A(2) of the Trade Marks Act, [Chapter 26:04]. The application falls within the field of intellectual property law.
2. The applicant seeks an order in the following terms:

##### ***"IT IS ORDERED THAT:***

1. *The Respondent be and is hereby interdicted and restrained from infringing the Applicant's Trade Mark Number 1063/10 in class 34 "JINHUANG" or using any other words which nearly resembles the Applicant's trademark as to be likely to deceive or cause confusion on or in relation to any of the goods for which the mark is registered.*
2. *The Respondent be and is hereby interdicted from using the trademark "JIN" or any other mark, trading name, label or get-up likely to result in the goods and/or business of the Respondent being taken to be those or that of the Applicant without clearly distinguishing such goods and/or business from those or that of the Applicant.*
3. *The Respondent be and is hereby interdicted from passing off its goods by the use of the Applicant's trademark registered Number 1063/10.*
4. *The Respondent be and is hereby ordered to deliver up to the Applicant for destruction all packaging, labels, posters, wrapping, advertising matter, documents and other materials in the possession of the Respondent bearing the trade mark "JIN" or so nearly resembling the trade mark of the Applicant.*
5. *The Respondent be and is hereby ordered to pay costs of suit on a legal practitioner and client scale."*
3. The respondent has fiercely contested the application and has raised points in *limine* in the process.
4. Section 9A of the Trade Marks Act, (Chapter 26:04) (the Act) under which this application has been brought is worded as follows;

##### ***"9A Entitlement to and nature of civil remedies for infringement***

- (1) *Subject to this Act, an infringement of a registered trade mark shall be actionable at the suit of the proprietor and any registered user of the mark.*
- (2) *Subject to this Act, in any proceedings for an infringement of a registered trade mark there shall be available to the plaintiff all such remedies by way of damages, interdict, attachment, the rendering of account, the delivery of improperly marked goods or of articles used or intended to be used for marking goods or otherwise, as are available in respect of the infringement of any other proprietary right."*

5. It is clear from this section that a proprietor of a trademark can sue any alleged infringer seeking remedies as laid down in subsection 2. *In casu* the applicant seeks both a prohibitory and mandatory interdict for the respondent to cease infringing or passing off the applicant's trademark and recalling for destruction all offending materials in possession of the respondent. The applicant's claim is based on two grounds, that is, trademark infringement in terms of Trade Marks Act and passing off under the common law.

#### BACKGROUND

6. It is not in dispute that the applicant is a company incorporated in Zimbabwe and is a proprietor of "JINHUANG" trademark registered on 15 October 2010 under registration number 1063/2010 in class 34. According to the certificate of registration, the registration is in respect to tobacco and tobacco products, smokers' articles, matches and the foregoing included in class 34.
7. The applicant says the trademark has been extensively used in Zimbabwe and as a result the applicant has secured and acquired good will in the marketing and sale of its cigarettes. Furthermore, applicant says has done adverts in promoting its "JINHUANG" cigarettes.
8. On the other hand the respondent is an authorized trade mark licensee of "JINLONG". The proprietor of "JINLONG" trademarks is a Mr Wong Hung Yuen who happens to be a director of the respondent and is the deponent to the opposing affidavit. "JINLONG" trade mark has been registered and used in three variant forms, namely; "JINLONG" (word mark) in class 34 registration number 959/2015 as of 9 September 2015, "JINLONG" (logo) in class 34 registration number 956/2016 as of 14 July 2016 and "JINLONG BLACK SERIES" (label mark) in class 34 application number 1025/2017 filed on 7 December 2017.
9. The registration of "JINLONG" trademark is in respect of cigarettes, cigars, raw and manufactured tobacco, smokers' articles, matches, electric and/or electronic cigarettes, pouches for carrying electronic cigarettes, mouth pieces for electronic cigarette, wicks for electronic cigarettes.
10. The applicant's and respondent's products which are mainly cigarettes are largely targeting the Chinese community in Zimbabwe. The applicant complains that the respondent's trade mark "JINLONG" infringes its trade mark "JINHUANG". The two trademarks are in the Chinese language. Their translation into English language are, "JINHUANG" means "Zimbabwe King" or as further expressed by the respondent the suffix "HUANG" can also mean the colour "yellow" and "JINLONG" means "Zimbabwe dragon".
11. The basis upon which applicant alleges trade mark infringement are (as per founding affidavit), "The Respondent's trademarks encompass the applicant's prefix "JIN" and the Chinese character equivalent too. This creates an impression that the two marks are associated with each other thereby causing confusion in the market."
12. The respondent expressed a different view as it sees no confusion in the market as a result of these trademarks. The applicant also alleged that the use of the "JINLONG" trade mark was calculated to deceive and cause injury to applicant's good will. As a result the applicant prays for an order for an interdict as per draft order which the respondent resists.
13. There are three preliminary points raised by the respondent. I will now deal with them in turn.

#### **Non Joinder**

14. It is common cause that the proprietor of "JINLONG" trademark is not the respondent. The respondent is an authorized licensee. The proprietor of "JINLONG" trademarks has not been joined as a party to these proceedings. It is the respondent's contention that non-joinder of the proprietor is fatal to the applicant's application.
15. The respondent argued at length to demonstrate that the omission to cite the proprietor was fatal. Section 33(3) of the Act was relied upon. It reads;

*"(3) The permitted use of a trade mark shall be deemed to be use by the proprietor thereof and shall be deemed not to be use by a person other than the proprietor for the purposes of section thirty-one and for any other purpose for which such use is material under this Act or any other law."*

16. It was argued that respondent was not using the trademark. Instead in terms of the Act it is the proprietor who is in use. It was further argued that the use of a trademark is a prerequisite for any trademark infringement and one who makes use of trademark must be cited in such proceedings. In simple terms the respondent is saying the infringer of a trademark must be the proprietor of the offending trademark and where such proprietor has authorized a third party to use its trademark, it is inappropriate to then sue the third party leaving out the proprietor. Such omission is then said to be fatal.
17. The applicant's argument is that the respondent as a matter of fact is the one infringing applicant's trademarks and it is inconsequential that the applicant has not joined the owner of the infringing trademarks or Registrar of Trade Marks. Applicant relied on Order 13 Rule 87 of the High Court Rules which state;

***"87. Misjoinder or no joinder of parties***

*(1) No cause or matter shall be defeated by reason of the misjoinder or no joinder of any party and the court may in any cause or matter determine the issues or questions in dispute so far as they affect the rights and interests of the persons who are parties to the cause or matter."*

18. Mr Wong Hung Yuen who is the registered proprietor of "JINLONG" trademarks is the director of the respondent and has licenced the use of the trademarks with the respondent.
19. In paragraph 4.1.6 of the opposing affidavit the respondent had this to say; "The Respondent is not the proprietor of the "JINLONG" trademarks cited above but is an authorised trade mark licensee, insofar as it is the trading entity based in Zimbabwe that is responsible for the manufacture and retail of the "JINLONG" cigarette products. I extended a licence to the Respondent to use my "JINLONG" trademarks under a tacit agreement."
20. Given this arrangement I find the citing of the respondent under the circumstances appropriate. The respondent cannot be allowed to overstretch the interpretation of section 33(3) of the Act to its advantage in circumstances where the proprietor of the trademark has a tacit agreement with the respondent to use his trademarks and further where he is also the director of the respondent.

The non-joinder of the proprietor of the trademarks in the present circumstances shall not defeat this application. The point *in limine* must fail.

**Material Disputes of Fact:**

21. The respondent alleged material disputes of fact in this application. Despite the point being raised it was never seriously argued. It remained an appendix to the argument on whether or not the requirements of an interdict were satisfied. It is not every dispute in an application which qualifies as a material dispute of fact.

I did not find any merit in this point *in limine* and it must fail.

**Incompetent Procedure and Relief Sought:**

22. This is a matter to be adjudicated upon at the end of the hearing. It was inappropriate, in my view, to raise it as a preliminary point. It is centred on whether or not the requirements of an interdict were fulfilled. I will deal with it on the merits rather than as a point in *limine*.
23. Having disposed of the preliminary points, it is necessary to identify the issues for determination in this application. These are;
- a) whether or not there was an infringement of the applicant's trademark ?
  - b) whether or not there was passing off of applicant's goods?
  - c) whether a claim for an interdict has been established ? and
  - d) Who pays costs and at what scale ?

**INFRINGEMENT OF THE APPLICANT'S REGISTERED TRADEMARK**

24. The law of trademark protection has origins in both common law and statute. The statutory protection came into being as a result of inadequacies in the protection offered by common law. Trademarks are protected symbols needed by a consumer to distinguish between competing products and services in a market economy. They also show a connection between the goods and the right holder. The law seeks to regulate unfair competition.
25. The registered proprietor of the trademark obtains the exclusive right to use trademark in respect of goods for which it is registered. In Zimbabwe *Gelatine (Private) Limited v Cairns Foods (Private) Limited 2003(1) ZLR 352* the court said:-  
*“It is common cause that once a trade mark is registered it gives the registered owner of the trademark an exclusive right to use it concerning the goods for which it is registered.”*
26. The proprietor also obtains a right to get relief in the case of infringement. (See section 9A of the Act).
27. Section 8(1) and (2) of the Act lays down conduct which amounts to an infringement of a trademark and possible defences an alleged infringer can raise: The section reads:  
**“8 Infringement of rights given by registration in Part A or Part B**  
 (1) *Subject to this section and to sections ten and eleven, a registered trade mark shall be infringed by any unauthorised use in the course of trade, whether as a trade mark or otherwise, of a mark that is identical to the registered trade mark or so nearly resembling it as to be likely to deceive or cause confusion, where that mark is used in relation to the same or similar goods or services as those in respect of which the trade mark is registered.*  
 (2) *In the case of a trade mark registered in Part B of the Register, no interdict or other relief shall be granted in an action for infringement by virtue of paragraph (a) of subsection (1) if the defendant establishes to the satisfaction of the court that the use of which the plaintiff complains is not likely to be taken as indicating a connection in the course of trade between the goods or services concerned and some person having the right, either as proprietor or as registered user, to use the trade mark.”*
28. The respondent's initial reaction apart from the points in *limine* was to rely on section 70 of the Act which says;  
**“70 Registration to be prima facie evidence of validity**  
*In all legal proceedings relating to a registered trade mark, including applications under section thirty-seven, the fact that a person is registered as proprietor of the trade mark shall be prima facie evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof”.*
29. On the basis of this section the respondent said in the opposing affidavit paragraph 8.1.1  
*“I find it difficult to understand how a proprietor of a validly registered trade mark can be found to be infringing another registered trade mark through the legitimate use of his/her own validly registered trademark (in other words, a trade mark holder should not be allowed to interdict another trade mark holder from exploiting his/her registered trade mark). “*
30. This takes us to the question, whether it is permissible at law for one trade mark holder to interdict another trade mark holder for infringement. In answering this question in the affirmative the applicant has relied on the words “whether as a trade mark or otherwise” used in section 8 (1) of the Act (*supra*). Section 16 of the Act was also referred to in support of that position in that the registration of “JINLONG” trade mark was not yet conclusive as it was less than five years old having been registered in 2016. Section 16 reads;  
**“16 Registration in Part A to be conclusive as to validity after five years**  
*In all legal proceedings relating to a trade mark registered in Part A of the Register, including applications under section thirty-seven, the original registration of the trade mark in Part A of the Register shall, after the expiration of five years from the date of that registration, be taken to be valid in all respects, unless—*  
 (a) *That registration was obtained by fraud; or*

(b) *The trade mark offends against section fourteen:*

*Provided that this section shall not preclude the expunging or variation in terms of subsection (2) of section thirty-eight of the registration of a distinguishing guise."*

31. I agree with this position of the law as interpreted by the applicant. In fact that is the same position obtainable in South Africa as per several authorities relied upon by both parties.
32. The dispute between the parties surrounds the use of the word "JIN" as a prefix. The question is whether by use of the prefix "JIN" the respondent is likely to deceive or cause confusion in the market.
33. In assessing the likelihood of confusion regard be to the surrounding circumstances including the nature and composition of the goods, origins of the goods, respective use of the goods, trade channels through which the goods are bought and sold and the classes of likely customers. See *Mobil Oil of Zimbabwe (Pvt) Ltd v Travel Forum 1990 (1) ZLR 67.*; *Bon Marche (Pvt) Ltd v Brazier 1984 (1) ZLR 127(HC)*
34. I have already outlined the background of this case. The parties are in the business of tobacco products, cigarettes being one such common product. They target the Chinese community as their major customer base. The trademarks are in the Chinese language. They share a common market place. The respondent's director is a former employee of applicant. In fact some of the applicant's former employees are now employees of the respondent.
35. The applicant relied on the case of *Unilever PLC & Another v Vimco (Pvt) Ltd* 04-HH-175 where the court ruled that Vimco was infringing on applicant's VIM mark by the use of the mark VIMCO. This case is distinguishable from the present case in that VIM was more of an invention than an existing name.
36. The case of the Supreme Court of Appeal of South African was cited by applicant as a persuasive authority. This is the famous Winery case of *Roodezandt Ko-operatiewe Wynmakery Ltd v Robertson Winery (Pvt) Ltd and Anor.* 13-SCA-503. Robertson Winery (the Winery) was the proprietor of trade marks "Robertson Winery", "Robertson Vineyards", "Robertson", and "William Robertson". Roodezandt Ko-operatiewe (Roodezandt) was proprietor of trademark "Robertson Hills". The Winery successfully applied for the removal of Roodezandt's trademark on the basis that it is similar to the Winery trademarks containing the word component "Robertson" that it is likely to deceive or cause confusion as contemplated in the section of the South African Trade Marks Act which is similar to our section 8 of the Act. Robertson was the name of a town hence was not constructed or invented.
37. In *casu* "JIN" is neither constructed nor invented, it is a geographical name. Despite the similarities in facts the two cases are distinguishable. After engaging itself in the comparison of a number of principles the court came to the conclusion that Roodezandt's trade mark created deception and confusion in the market.
38. Each case must be decided according to its own merits. The court must look at the probability of confusion or deception among purchasers or potential purchasers of the relevant goods.
39. In determining the possibility of confusion, the respondent urged the court to look at whether there is a real tangible danger of confusion. But how does the court reach that conclusion? The test goes back to the circumstances of the case where the court must ask itself the simple question of whether from the circumstances of the case one can say an ordinary person of average intelligence and proper eyesight is likely to be deceived or confused by the trademarks, see the Winery case *supra*.
40. In the case of *Puma AG Rudolf Dassler Sport v Global Warming (Pvt) Ltd* 2010 (2) SA 600 (SCA) at 603E the court said, 'the question of the likelihood of confusion or deception is a matter of first impression and... one should not peer too closely at the registered mark and the alleged infringement to find similarities and differences.'
41. "JINHUANG" and "JINLONG" are two distinctive marks which apart from the prefix "JIN" do not mean the same. Even an average non-Chinese speaking person can easily and readily discern the difference on first sight. The Chinese community should also on mere sight see

the difference. The colours on the cigarette packets are distinctively different although in one packet there is a picture of a lion and in the other there is an elephant.

42. Applicant argued that such pictures with the prefix "JIN" were likely to cause confusion as products from the same manufacturer.
43. The main or dominant features of the marks in question as well as the general impression and any striking features, together with their likely impact on the mind of the consumer are all factors to be considered in deciding whether there was a likelihood of confusion or deception- see *Bata Ltd v Face Fashions CC 2001 (1) SA 844 At 850*.

44. "JIN" means Zimbabwe as already stated. The question is should one be allowed to claim a monopoly over the prefix "JIN" a geographical indicator.

In my view it is against public policy to do so. I agree with respondent's submissions that the rights granted by registration are those in respect of the mark as registered as a whole.

45. The prefix "JIN" causes no confusion when it is used in combination with another mark like "HUANG" or "LONG" Such suffixes make the marks sufficient to distinguish them from each other and sufficiently distinctive so as to negate the likelihood of deception and confusion among the members of the public and in particular the Chinese community.

### **PASSING OFF**

46. There is one central legal principle in passing off, that is: there must be a representation by one person that his business or merchandise is that of another. See case of *Bon Marché (Pvt) Ltd v Brazier & another 1984 (2) ZLR 50 (SC)*
47. In other words one portrays that the goods one is selling were those of the other. One rides on the good will of the other in order to make business. It is more like reaping where you did not sow.
48. In *Policansky Brothers Ltd v L & H Policansky 1935 AD 89 @ 97* in defining passing off stated, "It is an action in tort and the tort consists of a representation by the defendant that his business or goods, or both, are those of the plaintiff." This can be achieved by imitating the name, mark or device.
49. In order to determine whether a representation amounts to a passing-off, one must enquire whether there is a reasonable likelihood that a member of the public may be confused into believing that the business of the one is, or is connected with, that of another. See *Bon Marche* case (supra) which also laid down the following factors for consideration.
  - (1) Whether the two businesses operated in the same field of activity;
  - (2) Whether the business name of the complainant was in fact well known;
  - (3) Whether because of the reputation it had acquired in the area in question there was goodwill attached to its name there;
  - (4) The distance between the two businesses;
  - (5) Whether there actually is confusion in the minds of the public.
50. I have already dealt with the issue of whether the trade mark causes deception and/or confusion in the market. It is common cause that the two businesses operate within the same field in Zimbabwe. What is in dispute is the issue of good will. The onus is on the applicant to show that it has good will to protect unlike in the case of infringement. In this regard the applicant has made bald and unsubstantiated statements. No evidence was shown in support which could have been in the form of financial statements, proof of adverts, supporting affidavits etc. It was necessary for such evidence to be availed in the face of a contestation by the respondent. This is why the respondent raised the preliminary issue of the existence of material disputes of fact.
51. The respondent attached annexure F being photocopies of the get-up of the parties' goods. The original cigarette packets were also produced and form part of the record.

52. A comparison of the get-up of the applicant's goods with those of the respondent show obvious differences:
- Applicant's trademark appears in a dominantly red colour and yet the two for the respondent, one is dominantly black and the other white.
  - Apart from the trademark there are other distinguishing marks like depiction of a lion and elephant and Chinese symbols.
53. In my view the differences in the overall get-up of the parties' respective goods are such that there is no reasonable likelihood of deception or confusion arising among members of the public, Chinese community included.

The claim based on passing off must fail.

**INTERDICT:**

54. The requirements of a final interdict are now settled. The applicant has the onus to show:
- (a) A clear right
  - (b) Irreparable injury actually committed or reasonably apprehended
  - (c) Absence of a similar protection by any other remedy.
55. See authorities such as *Setlogelo v Setlogelo* 1914 AD 221. *Eco net Wireless Holdings v Minister of Information* 2001 (1) ZLR 373 at 374 B; *Airfield Investments (Pvt) Ltd v Minister of Lands & Ors* 2004 (1) ZLR 511; *Pauline Mutsa Makoni v Julius Tawona Makoni & Ano* 15-HH-820

While the issue of clear right is not disputed, the applicant has not proved on a balance of probabilities that there was an injury committed. The applicant cannot succeed with the relief sought as already been dealt with in this judgment.

**COSTS**

56. Costs are at the discretion of the court. Respondent asked for costs at a higher scale in the event of applicant failing in its application. There must be a justification for such costs.
57. The application is not a frivolous and vexatious one. Applicant genuinely believed in its case and has been *bona fide*. There is no basis to award costs on a higher scale.
58. However this application must fail for reasons already stated.

Accordingly, the application is dismissed with costs on the ordinary scale.

*B Matanga IP Attorneys, applicant's legal practitioners*

*Samuriwo Attorneys, respondent's legal practitioners*