1 HH 272-16 HC 1475/16

VIVON INVESTMENTS (PVT) LIMITED versus WIN-KING INVESTMENTS (PVT) LIMITED

HIGH COURT OF ZIMBABWE MAKONI J HARARE, 25, 29 February and 4 March 2016

Urgent Chamber Application

F Mahere, for the applicant *L Uriri*, for the respondent

MAKONI J: The applicant approached this court on a certificate of urgency seeking an interim interdict in terms of s 9 A (2) of the Trade Marks Act [*Chapter 26:04*] (The Act) in the following terms:

"TERMS OF FINAL ORDER SOUGHT

That you show cause to this Honourable Court why a final order should not be made in the following terms:

- 1. The respondent be and is hereby interdicted and restrained from infringing the applicant's Trade Marks Number 1489/14, 1490/14, 1491/14 and 1492/14 in classes 32 and 33 by using the packaging likely to deceive or cause confusion on or in relation to any of the goods for which the marks are registered.
- 2. The respondent be and is hereby interdicted from passing off its goods by the use of the applicant's trademarks registered Number 1489/14, 1490/14, 1491/14 and 1492/14 in classes 32 and 33.
- 3. The respondent be and is hereby interdicted from infringing on the applicant's copyrighted products by using the same artistic works as that on the applicant's packaging of its VIVON water.
- 4. The respondent be and is hereby ordered to deliver up to the applicant for destruction all products, packaging, labels, posters, wrapping, advertising matter and other materials in the possession of the respondent bearing the registered trademarks or so nearly resembling the trademark of the applicant.
- 5. The respondent be and is hereby ordered to pay costs of suit on a legal practitioner and client scale.

INTERIM RELIEF GRANTED

Pending finalization of this matter an interim order is hereby granted in the following terms;

- 1. The respondent be and is hereby interdicted, with immediate effect, from trading in or otherwise dealing in goods bearing the packaging likely to deceive or cause confusion on or in relation to any of the goods for which the applicant's marks Number 1489/14, 1490/14, 1491/14 and 1492/14 in classes 32 and 33 are registered without the leave of this Honourable Court;
- 2. The respondent e and is hereby directed to immediately recall all goods bearing the packaging identical to or resembling the applicant's registered marks Number 1489/14, 1490/14, 1491/14 and 1492/14 in classes 32 and 33 from any of the outlets or its sales distribution agents to whom it may have sold or delivered to:
- 3. The Sheriff of Zimbabwe and/or his lawful deputies be and are hereby authorized to search for and remove to a storage facility all good bearing the packaging identical to or resembling the applicant's registered marks Number 1489/14, 1490/14,1491/14 and 1492/14 in classes 32 and 33 from the respondent's premises at No. 18225 Culverwell Road, Braeside Harare respectively or from wherever such goods are located;
- 4. The respondent shall pay for the costs of this application on a legal practitioner and client scale including the Sheriff's fees from removal and storage.

SERVICE OF PROVISIONAL ORDER

This Order may be served on the respondent by applicant, applicant's legal practitioner, or any attested member of the Zimbabwe Republic Police."

The background to the matter is that the applicant is the registered proprietor of the following VIVON trademarks.

- (i) Trademark Registration Number 1489/14, VIVON logo in colour, in class 32.
- (ii) Trademark Registration Number 1490/14, VIVON logo in colour, in class 33
- (iii) Trademark Number 1491/14, VIVON logo in black and white in class 32.
- (iv) Trademark Number 1492/14 VIVON logo in black and white in class 33.
- (v) Trademark Number 1493/14 VIVON word mark in class 32.
- (vi) Trademark Number 1494/14 VIVON word mark in class 33.

The Trademarks were registered in November 2014.

It is not dispute that the respondent has been using, in Zimbabwe, a mark VICTORIA PLUS, (the offending mark) consisting of a logo similar to the VIVON logo in relation to its water products, without the permission of the applicant.

The applicant's logo constitutes of the a blue globe, splashes of water around the globe, the word VIVION written in white across the globe and the color red on the right hand side of the globe. The offending mark consists of a blue globe, splashes of water on the globe, the word VICTORIA PLUS written in white across the globe and the color green on the right of the globe. Before the meeting between the parties referred to later in the judgment, the offending mark had the color red on the right side of the globe.

It is applicant's contention that the offending mark so nearly resembles the applicant's registered marks number 1489/14-1494/14 as to be likely to deceive or cause confusion in the market.

Upon learning of the infringement in November 2015, the applicant engaged the respondent for it to cease and desist from infringing the applicant trademark to no avail. The applicant further instituted criminal proceedings against the respondent. The parties with the assistance of their legal practitioners reached an out of the court settlement whereby the respondent undertook to stop the infringement and that it would make another logo which was different from the offending mark. As a result the criminal action was withdrawn before plea.

The respondent came up with another logo which the applicant felt still infringed on its trade mark. The parties agreed that it will not be used. It was suggested that the applicant comes up with completely different logo for use by the respondent. In spite of the agreement, the respondent came up with another logo which still infringed on the applicant's trademark.

The applicant then instituted the present proceedings seeking interdictory relief.

It is the applicant's contention that the use by the respondent of the offending mark infringes on its trademarks in that:

- (i) it encompasses its registered trademark.
- (ii) the packaging of the respondent water is identical to that of the applicant's packaging of its registered trademark.
- (iii) it is likely to deceive and cause confusion in the market.

The applicant further avers that it is the owner of certain artistic works on the VIVON logo in which copyrights subsists. The respondent has, without the applicant's authority reproduced the artistic works of the applicant's logo in which the copyright subsists.

Further, the respondent's use of the applicant's trademark constitutes an act of passing off under common law in that the respondent's water, VICTORIA PLUS, is creating a misleading representation that the business of the respondent is that of the applicant. It is very easy for a customer to mistake the respondent's water as being the same one related to, or from the same source of that of the applicant's product.

The application was opposed and the respondent, took in limine three points that:

- 1) The validity of the trademark.
- 2) Material disputes of facts.
- 3) Anterior use.

On the merits, the application was opposed on the basis that the applicant had no trademark in the individual aspects of its registered trademark such as the globe in colour blue, the water splash in colour white but in the association of those individual aspects. The water splash is an act of nature and in any event the sequential manifestation of the splash in the applicant's trademark is distinct from the respondents. The depiction of the globe on the application is distinct from that of the respondent in many respects.

The respondent further averred that the applicant plagiarized their Trademark from that of the Denone Group. No copyright attaches to a plagiarized Trademark.

I will first of all deal with the points in limine is seriutim.

Validity the Trademark

Mr *Uriri* submitted that the respondent had filed an application with the controller of the Trademark for the expengument of the applicant's Trademark. The basis for the application is that the Trademark is registered to the Denon Group of Companies in China since 2003. The group is represented by Messrs Gill, Godlton and Gerrans who have been notified of the present proceedings. It is therefore a foreign trademark. Both Zimbabwe and China are parties to TRIPS Convention. As a result the Trademark is not registrable in Zimbabwe. He prayed that the present proceedings be stayed pending the determination of the application for expengument in terms of s 16 (a) of the Act. The registration of the Trademark by the applicant was 4 months old and is liable for expengument within a 5 year period.

Ms *Mahere* for the applicant contended that there is no merit in the respondent's submission. The nature of the right required for an interdict is a *prima facie* right. There is no challenge to the authenticity of certificates of registration. At best what the application for expendement does it cast some doubt in the Trademark as embodied in the certificates of registration. She further submitted that the application was filed on 22 February 2016 a day

before the hearing. Throughout past engagements no mention was ever made that a similar Trademark exists. No evidence has been placed before the court that the Trademark bearing the applicant's logo exists elsewhere. It was further submitted that the application was not made by the proprietor of the mark in terms of s 9 (e) (2). The present proceedings were filed on 15 February 2016. The respondent filed its Notice of Opposition on 22 February 2016. On the same date, the respondent filed the applicant for expengument. The matter was set down 23 February 2016.

It is clear from the above and from para 2 of the application for expendiment that the application was filed as a red-hearing to cloud the issues before the court. The dispute between the parties has been raging since December 2015. The respondent did not then think it prudent to file the application for expendiment.

In any event at this stage all that the applicant has to establish is a *prima facie* right open to doubt. It has done that by producing the certificates of registration which has not been challenged by the respondent. All that that application for expengument does is to raise some doubts and no further. The respondent sought to contend that the application for expengument is being made in terms of s 37 (1) (c). The application does not say in terms of which section it is being made. It complains of a familiar similar foreign mark. An application in relation to a foreign familiar mark is made in terms of s 9 E (3) and not in terms of s 37 (1) (c). Further, in terms of s 9 E of the Act such an application can only be made by the proprietor of the foreign familiar mark. In terms of s 9E (3) the proprietor of the familiar foreign mark shall within a month of instituting the infringement procedures, apply for the registration of the mark in Zimbabwe.

It is not clear whether the respondent will then apply for the registration of the mark on behalf of the Denone Group.

In any event, the Denon Group of Companies is represented in Zimbabwe by Messrs Gill, Godlton & Gerrans. They were advised of the present proceedings and did not attend to represent the interest of their client. Further neither s 37 (1) (c) nor s 9 E (2) of the Act provide for the deferment of proceedings for interdictory relief pending the determination of the application for expengument. In view of the above I will dismiss the point *in limine*.

Anterior use

The respondent contended that it used the offending mark prior to its registration by the applicant. It had used the offending mark since 2013. In terms of s 10 of the Act, the offending mark is therefore immune from attack. In the alternative, the respondent, without conceding the alleged infringement, urged the court to postpone the matter to enable the respondent to apply for registration on the basis of honest concurrent use.

In response, Ms *Mahere* submitted that the respondent did not establish, in its papers, that it used the offending mark prior to the registration of the applicant's trademark.

The issue of anterior use is not related to in the respondent's Notice of Opposition but in the Head of Argument. The issue of anterior use is a factual issue and not a point of law. It has to be averred in the affidavits. The issue is therefore not properly before me.

Disputes of Fact

Mr *Uriri* submitted that the software used to generate the mark is in the public domain. Whether either of the parties used templates in the public domain and as such are incapable of registration is a matter of fact in respect of which evidence would have to be led and factual findings made. This ought to have been foreseen and was foreseen.

Ms *Mahere* submitted that there are no material disputes of facts. The fact that the use of the software that in the public domain had not been substantiated.

It is not clear what the respondent intends to establish on this point. It did not establish whether the template has been used by someone else other than the applicant. Why that person did not raise issue at the time that the Trademark was registered. When the court is faced with a registered Trademark on one hand and bold allegation on the other the probabilities favour the applicant. There are therefore, no disputes of fact which cannot be resolved on the papers.

Merits

Ms *Mahere* submitted the applicants had satisfied the requirements of an interim interdicts. The requirements for an interim *inter alia* in intellectual property matters are the same as in ordinary interdicts.

Prima facie right open to some doubt

The applicant acquired the right to the Trademark by registration. It is the proprietor VIVON would mark and the logo. The marks are not limited in colour as shown by certificate attached as Annexure "B4". The applicant has exclusive legal use of the Trademark. The

respondent has infringed on the applicant's Trademark by using a logo similar to its logo. This will cause confusion the applicant's customers. There is no evidence that the respondent used the logo prior to its registration in November 2014.

Well-grounded apprehension

The offending mark being used by the respondent nearly resembles the applicant's mark as to cause confusion on the market. It has the globe, splash and an envelope by the corner. It is not an answer to change the colour from red to green. The nature and character of the parties business is the same.

Balance of convenience

The applicant holds registered Trademark in the logo. It has been using the logo since 2013. The respondent has failed to establish anterior use.

No other remedy

The respondent has a significant number of the offending products on the market. The undertaking by the respondent that he will cease to use the mark has been breached. Damages are not appropriate in the circumstances of this case.

Mr *Uriri* submitted that the applicant needs to show a clear right as opposed to a *prima facie* right because of the nature of the burden of proof in infringement actions. He relied on the case of *Mazurek* v *Armstrong* 520 US 968, 972 (1997). The basis for his submission was that this action has a potential to infringe on the respondent's rights as provided for in terms of s 64 of the Constitution of Zimbabwe 2013 relating to freedom of profession, trade or occupation. The onus cannot in be ordinary.

He further submitted that interdictory relief cannot be sought in order to preserve an illegality. The respondent's use of the mark is protected in terms of s 10 of Act. There is no harm that the applicant suffers when the respondent has made use of the mark long before the applicant registered the trade mark. The applicant's goodwill cannot be tarnished.

The applicant has not established well-grounded apprehension. The use of generic water colours blue and white cannot be a monopoly of the applicant. Such apprehension is unreasonable and is not well-grounded. In any event the applicant's Trademark is not without limitation of colour.

Mr *Uriri* further submitted that for the applicant to say that the respondent's use of the mark will cause confusion, it has to demonstrate the persons that will be confused in evidence. In para 7 of the respondent's Heads of Argument, he listed eight factors that he urged the court to consider in determining whether a mark presents a likelihood of confusion. He again relied on cases from foreign jurisdictions. He concluded by submitting that the marks for the applicant and the respondent are distinctively different.

In my view the first issue for determination is the burden of proof in interdictory relief matters relating to infringement actions. Mr *Uriri* contended that such relief should not be granted unless the applicant, by clear showing/carries to burden of persuasion. He relied on the *Mazurek* case *supra*. He submitted that the applicant needs to show a clear right as opposed to simply a *prima facie* right notwithstanding the nomenclature of the relief as interim because of the nature of the burden of proof in infringement actions.

Ms *Mahere* on other hand submitted that the relief the applicant seeks is an interim interdict. The fact that its an infringement action does not detract from the requirements of an ordinary interim interdict.

I looked at cases in our jurisdiction and did not find any dealing with this point. I searched closer to home and came across *Beecham Group Ltd* v *B-M Group (Pty) Ltd* 1977 (1) SA 55 at. The matter dealt with an application for a temporary interdict restraining the infringement of a patent pending the determination of an action for final relief.

Franklin J at p 54 E-F stated the following:

"The first question which I consider should be dealt with is the test to be applied in cases in which a temporary interdict is sought to restrain the infringement of a patent pending action. The Commissioner stated the requirements which must be shown by an applicant in such cases as follows:

"The legal principled to be applied in a case such as this are reasonably clear. In order to obtain in a temporary interdict the applicant must show (i) a strong *prima facie* case for the validity of its patent; (ii) an infringement or threatened infringement of the patent by the respondents; and (iii) the absence of any other adequate remedy, e.g. by way of damages.""

Further down at 55 B-D he stated:

"As to the question of the applicant's prospects of success in the action, the proper approach of the Court in application for a temporary interdict to restrain the infringement of a patent should, in my view, be that which was laid down in *Webster* v *Mitchell*, *supra*, the headnote of which reads as follows:

'In an application for a temporary interdict, applicant's right need not be shown by a balance of probabilities; it is sufficient if such right is *prima facie* established, tough open to some doubt. The proper manner of approach is to take the facts as set out by the applicant together with any facts set out by the respondent which applicant cannot dispute and to consider whether, having regard to the inherent probabilities, the applicant could on those facts obtain final relief at a trial. The facts set up in contradiction by the respondent should then be considered, and if serious doubt is thrown upon the case of applicant he could not succeed.""

From the above it is clear the test to be applied in cases in which a temporary interdict is sought to restrain an infringement is the same as an ordinary interdict application. Not enough information has placed before me for me to be able persuaded by the *Mazurek* case *supra*.

Prima Facie Right

The applicant is the registered proprietor of the Trademark in issue. The registration of trademark creates an exclusive legal right on the part of the holder of the trademark to use it in respect of the goods for which is registered. The position has made clear in *Zimbabwe Gelatine* (*Pvt*) *Ltd* v *Cairns Foods Pvt Ltd* 2003 (1) ZLR 352 (S) at where it was stated:

"It is common cause that once a trademark is registered it gives the registered owner of the trademark an exclusive right to use it concerning the goods for which it is registered: see *Kerly's* Law of Trade Marks and Trade Names 12ed at p 261.

The purpose of registration of a trademark is that no other party should use the trademark. Kerly's Law of Trade Marks and Trade Names at p 12 para 2:08 says:

'The function of trademark is to give an indication to the purchase.... of the trade source from which the goods come or the trade hands through which they pass on their way to the market.'"

The filing of the application for expungement does not detract from the fact that the trademark remains registered. There is no challenge to the registration of trademark. At best all the application for expungement can do is cast some doubt on the applicant's right. It was filed a day before the hearing but five days after the service of the urgent application. It was an afterthought designed to create a defence against the applicant's case. I am fortified in this view by the fact that there were prior incidents of infringement whereby the applicant engaged the respondent. If the respondent was serious about challenging the validity of the trademark it would have done so then.

From the above it is clear that the applicant has established, at the very least, a *prima* facie right.

Well-Grounded Apprehension Of Irreparable Harm

The test for this requirement is settled in our law. The learned author CB Prest – *The Law and Practice of Interdicts* at p 62 it states the following:

"A reasonable apprehension of injury is one which a reasonable man might entertain on being faced with certain facts. The test is an objective one. The applicant is not required to establish that, on a balance of probabilities flowing from undisputed facts, injury will follow: he has only to show that it is reasonable to apprehend that injury will result."

It is not in issue that the respondent has been using a mark consisting of the applicant's logo in relation to water as its logo. The respondent does not dispute that bottles with the offending mark are on the market. In para 15 of the respondent's Supplementary Head of Argument the following is stated:

"For the avoidance of doubt, the respondent's impugned mark which it is in the process of phasing out in preference to a mark without a globe device remains on the market distinctly different from the applicant's mark as shown below."

The respondent however argues that the marks are different in terms of both the presentation of the device, the colours and the dominant features. It seeks to argue that the applicant's mark is registered with limitation of colour red, blue and white. This is not correct Certificate No 1491/2014 attached as Annexure does not limit the colour in which the trademark is registered.

In any event this does not assist the respondent's case. The test as to whether there has been an infringement depends essentially on whether there is sufficient similarity which is likely to lead to confusion. See *Old Mutual Life Assurance Society of Zimbabwe* v *Intermarket Holdings Ltd and Ors* 2006 (1) ZLR 73 H. In the same case it was stated: "The word similar had to have its ordinary meaning, that is, a "marked resemblance or likeness", marked meaning "easy to recognise".

There is no doubt that the offending mark being used by the respondent bears a marked resemblance or likeness with the applicant's trademark. These products are sold in supermarkets and close to each other. It is reasonable for the applicant to apprehend injury in form of loss of business.

The applicant managed to establish well-grounded apprehension.

Balance of Convenience

The author CB Prest supra had this to say about the balance of convenience:

"In assessing whether the balance of convenience lies in granting or refusing interlocutory interdicts, the judge is engaged in weighing the respective risks that injustice may result from his deciding one way rather than the other at a stage when the evidence is incomplete. The balance that one is seeking to strike therefore is more fundamental, more weighty, than mere convenience. Although the phrase may be substantially less elegant, the 'balance of the risk of doing an injustice' better describes the process involved."

As I have already alluded to in this judgment, the respondent's is using the offending mark on its products which are on the market. This is an infringement on the applicant's trademark. The applicant clearly has prospects of success to obtain a final interdict. The respondent has stated that it is phasing out use of the offending marks. It has therefore been established that the balance of convenience favours protecting the applicant's established rights.

No other remedy

As the history of the previous engagements between the parties will show, including the correspondence exchanged between the parties, the meetings and the criminal charges, the applicant has no other remedy other than to approach the court.

In view of the above, I will grant the provisional order as prayed for.

B Matanga IP Attorneys, applicant's legal practitioners *Nyangani Law Chambers*, respondent's legal practitioners