

EASTERN CARIBBEAN SUPREME COURT

**IN THE HIGH COURT OF JUSTICE
[CIVIL]**

SAINT LUCIA

CLAIM NO. SLUHCV2021/0359

BETWEEN:

THE INDEPENDENT TOBACCO FZE

Appellant

and

KHAIRT AL MINAFIE CO. FOR TRANSPORT AND GENERAL TRADING

Respondent

Before:

The Hon. Mde. Justice Cadie St Rose-Albertini

High Court Judge

Appearances:

Mr. Al Elliott with Ms Mercaira Malaykhan for the Appellant
Respondent absent

2023: May 16
December 27

JUDGMENT

- [1] **ST ROSE-ALBERTINI, J. [Ag]:** This is an appeal by The Independent Tobacco FZE ("IT") against a decision of the Registrar of Companies and Intellectual Property ("the Registrar") to register the trade mark "BUSINESS ROYALS" in favour of Khairt Al Minafie Co. for Transport and General Trading ("KAM"). IT asks this court to reverse the Registrar's

decision, direct the Registrar to cancel registration of the trade mark in favour of KAM, and to award it costs.

Background

[2] KAM applied to the Registrar for registration of the trade mark "*BUSINESS ROYALS Device*" by Application No. TM/2019/00108 dated 28th May 2019 ("the Application"). IT opposed the Application by Notice of Opposition dated 28th April 2020, on the grounds set out in sections 25, 27 and 42 of the **Trade Marks Act**¹ ("the Act"). However, the Registrar decided the Application in favour of KAM in Decision No. 3/2021 dated 29th July 2021 ("the Decision") and proceeded to register KAM's trade mark. IT now appeals the Decision on the grounds that:

(i) the Registrar erred in finding, as a matter of law and fact, that:

(a) the trade mark does distinguish or is capable of distinguishing the respondent's goods or services from that of the appellant and other traders as found at paragraphs 93 to 96 of the Decision;

(b) the respondent's trade mark is not likely to deceive or cause confusion to customers as found at paragraphs 97 to 104 of the Decision;

(c) the reference to registrations, objections, and acquisitions in other jurisdictions is irrelevant due to concepts of territoriality of trade mark protection, reputation, and goodwill as found at paragraph 104 of the Decision;

(d) the appellant is not the owner of the trade mark "*BUSINESS ROYALS*" as found at paragraphs 105 to 106 of the Decision;

(ii) the Registrar failed to consider whether the trade mark is capable of distinguishing the designated goods from the goods of other persons; and

(iii) the Registrar failed to apply the test of the extent to which the trade mark is inherently adapted to distinguish the designated goods from the goods of other persons."

[3] In opposition to the grounds of appeal, KAM stated that:

¹ Cap 13.30 of the Laws of Saint Lucia

(i) The Registrar properly found that the mark is distinctive and distinguishes the respondent's goods and services from that of the appellant's and others within the specified class.

(ii) The Registrar properly found that the mark does not contain any word or element which connotes that use of the mark is likely to deceive or cause confusion. Moreover the appellant has not established that it had acquired a reputation or presence within the jurisdiction prior to the respondent's application to demonstrate that there is a real tangible danger of deception or confusion among a significant or substantial number of consumers.

(iii) Matters pertaining to registrations, objections and oppositions in other jurisdictions are irrelevant and need not be considered by the Registrar when assessing the registration of a mark since trade marks are an issue of territory and are the subjects of local statutes. Further the appellant has failed to establish that the mark is a well-known trade mark so as to invoke the protection of any relevant international treaty.

(iv) The Registrar properly came to the determination that the appellant was not the owner of the trade mark "*BUSINESS ROYALS*" since the appellant failed to demonstrate prior registration of the mark within the jurisdiction to establish ownership. Further, it failed to show that it had acquired a reputation or a presence in the jurisdiction arising from prior use of the mark.

(v) The Registrar properly applied the test regarding the extent to which the trade mark is inherently adapted and found that the market is capable of distinguishing the respondent's goods from the goods of others.

Issues

[4] The following issues are relevant to determination of the appeal:

1. Whether the trade mark "BUSINESS ROYALS" ("the trade mark" or "the mark") distinguishes, or is capable of distinguishing, KAM's goods and services from that of IT and other traders, pursuant to section 25 of the Act?
2. Whether KAM's mark is likely to deceive or cause confusion to consumers pursuant to section 27 of the Act?
3. Whether IT is the owner of the trade mark "BUSINESS ROYALS" pursuant to section 42 of the Act?

[5] The pervasive question of territoriality will be discussed in relation to each of these issues, given that it is dependent upon the specific provision of the Act under consideration.

De Novo Hearing

[6] The appeal is a rehearing or hearing de novo. The function of the Court is not merely to determine whether the decision of the Registrar can be supported or to traverse its correctness in law and fact. It is to determine, on the material before the Court, whether the application should be accepted or rejected. In so doing, the court may admit further evidence, draw such inferences, and give any judgment or make any order it thinks fit, but must do so judicially.²

[7] By order dated 25th April 2023 the legal practitioner for the respondent was removed from the record. I note that in accordance with paragraph 6 of that order Amicus Legal filed the requisite affidavit of service indicating that the removal order, which also contained the adjourned date for the hearing was served on the respondent at the respondent's email address contained in the order. The zoom link for the hearing was also sent to the respondent at the said email address. The respondent did not appear on the adjourned date. As the matter was scheduled for hearing and the appellant was present and ready, the hearing proceeded, as intended.

² Section 171 of the Trade Marks Act Cap 13.30 of the Law of Saint Lucia; Rule 60.8 of the Civil Procedure Rules 2000; *Malibu Boats West, Inc v Catanese* (2000) AIPC ¶¶ 91-605; *Philmac Pty Ltd v Registrar of Trade Marks* [2002] FCA 1551; Trade Marks Manual of Practice and Procedure IP Australia, Trade Marks Manual of Practice and Procedure, Part 52.5 – Rights of Appeal from Decisions of the Registrar, Paragraph 5.1 Appeal to the Federal Court or the Federal Circuit Court. Date Published: 06 Nov 2021. Found at: <https://manuals.ipaustralia.gov.au/trademark/5.-rights-of-appeal-from-decisions-of-the-registrar>

- [8] The court received evidence from the sole witness for the appellant. The respondent being absent and unrepresented gave no evidence, and no closing submissions were made on its behalf.

The Evidence

- [9] IT's witness Mr. Sarmad Hasan Manto ("Mr. Manto") states that IT was incorporated in 2003 and is one of the largest players in the cigarette industry in Africa and the Middle East. IT's expertise extends across all aspects of the tobacco industry from processing to manufacturing to sales, marketing and distribution across the globe. Further IT has developed business associations with various players in the international tobacco industry to export its cigarette brands and other tobacco products. IT and its affiliates therefore operate a worldwide and reputable business of tobacco products from the United Arab Emirates and elsewhere.
- [10] Further, IT and its associated company, BR International Holdings Inc. ("BR") are the registered proprietors of the trade mark "BUSINESS ROYALS" in over 100 countries. IT and/or BR has been the proprietor of the "BUSINESS ROYALS" trade mark for almost two decades and BR has authorized IT to use and register the "BUSINESS ROYALS" trade mark worldwide. Accordingly, IT and/or BR have established rights in the trade mark. Additionally, the mark, which was first adopted by IT in 2003 has been extensively used by it for the past 17 years.
- [11] Mr. Manto says, today, IT's products, under the "BUSINESS ROYALS" trade mark, are well known symbols of quality tobacco products and enjoy substantial reputation and goodwill worldwide. To ensure the highest quality of products, IT invests heavily in its production process, which follows leading industry standards and is efficient in high-speed production. IT's products are also packaged by state-of-the-art machines manned by skilled personnel. The quality is constantly monitored, supervised, and controlled so that IT's products adhere to the highest quality standards. IT also maintains state of the art research, development, and production facilities for developing new products and upgrading their present range of products, including consumer surveys, production innovation studies, technology updates,

and keeping abreast of style and packaging trends and key consumer tastes and preferences.

- [12] He avers that by virtue of registrations, long-standing use, publicity and promotion, IT's trade mark "BUSINESS ROYALS" has earned substantial goodwill and reputation and members of the trade and public associate the said mark with IT and no one else. IT has ceaselessly guarded their statutory and proprietary rights in the said trade mark. The cross-border sale of the products bearing the "BUSINESS ROYALS" trade mark evidence that the "BUSINESS ROYALS" trade mark has acquired goodwill throughout the world. On average, IT sells over 100 containers of "BUSINESS ROYALS" cigarettes every month, hence, the average annual revenue generated from the "BUSINESS ROYALS" trade mark exceeds US\$90,000,000. IT has also invested heavily in promoting and advertising the "BUSINESS ROYALS" trade mark. Brand building expenses for products bearing the "BUSINESS ROYALS" trade mark worldwide is estimated at US\$ 1 million annually. The revenue from the sale of products bearing the "BUSINESS ROYALS" trade mark is indicative that the mark has been well received in the market since adoption, as a result of which it has acquired immense goodwill among the public and members of trade.
- [13] In order to save such a valuable trade mark from passing off and infringement, along with registering its mark, IT has a strong trade mark regulation policy including expending large monetary resources to develop an enforcement program which, includes an international trade mark watch program that files and defends numerous oppositions, cancellations and court actions throughout the world. IT has also obtained copyright registration for the "BUSINESS ROYALS" trade mark in the United Kingdom which extends protection to all countries which are signatories to the Berne Convention.
- [14] Notwithstanding, KAM has deliberately copied the words "BUSINESS ROYALS" and the box design to capitalize on the goodwill and fame of IT's trade mark. The application filed by KAM is identical and/or confusingly similar to IT's trade mark. The use of the words "BUSINESS ROYALS" and the box design is prima facie evidence that KAM adopted the mark with the intention to deceive consumers and the public in the course of trade. An ordinary consumer is unlikely to notice the minute differences between the marks. Thus, any

registration by KAM as the proprietor of the "BUSINESS ROYALS" trade mark, is likely to cause considerable confusion to the consumers who associate the words "BUSINESS ROYALS" with cigarettes manufactured by IT and may result in public deception as the public may be led to believe that both the trade marks are owned by IT. KAM's trade mark is not adapted to distinguish KAM's designated goods from IT's goods and is materially incapable of distinguishing KAM's designated goods from IT's goods. Any substandard goods sold by KAM will result in loss of reputation and goodwill for IT and cause irreparable financial loss.

- [15] Mr. Manto alleges that KAM is a known infringer of IT's trade mark and IT has filed oppositions and invalidation/revocation actions against KAM's applications and registrations in a few countries. It is therefore reasonable to infer that there is malice involved on KAM's part for having adopted the disputed mark for use in the same category of goods for which IT holds prior registrations. The instant registration application by KAM is indicative of KAM's attempt to derive unjust enrichment by riding on the immense goodwill, in bad faith, of IT's "BUSINESS ROYALS" trade mark. One such invalidation action was filed by IT against a European Union Registered Community Design owned by KAM. The European Union Intellectual Property Office ("EUIPO"), in its decision delivered on 21st May 2020 found in favour of IT and revoked registration of KAM's impugned design, finding that both designs were highly similar, if not identical.

Submissions

- [16] I have given due consideration to the written legal submissions and authorities duly filed on behalf of the appellant and respondent, and the oral submissions made by Mr Elliot on behalf of the appellant at the close of the hearing.

Does the trade mark "BUSINESS ROYALS" distinguish, or is capable of distinguishing, KAM's goods and services from that of IT and other traders, pursuant to section 25 of the Act?

- [17] Section 25 of the Act provides as follows:

"25. Trade mark not distinguishing applicant's goods or services

...

(2) An application for the registration of a trade mark shall be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered from the goods or services of other persons.

(3) In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, **the Registrar shall first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.**

(4) **If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services—**

(a) the Registrar is to consider whether, because of the combined effect of the following—

- (i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services,
 - (ii) the use, or intended use, of the trade mark by the applicant, and
 - (iii) any other circumstances,
- the trade mark does or will distinguish the designated goods or services as being those of the applicant; and

(b) If—

- (i) the Registrar is then satisfied that the trade mark does or will so distinguish the designated goods or services the trade mark is taken to be capable of distinguishing the applicant's goods or services from the goods or services of other persons; or
- (ii) the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services, the trade mark is taken not to be capable of distinguishing the applicant's goods or services from the goods or services of other persons.

(5) **If the Registrar finds that the trade mark is not inherently adapted to distinguish the designated goods or services from the goods or services of other persons, the following provisions apply—**

(a) if the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date in respect of the application, it does distinguish the designated goods or services as being those of the applicant, the trade mark is taken to be capable of distinguishing the designated goods or services from the goods or services of other persons;

(b) in a case other than in paragraph (a), the trade mark is taken not to be capable of distinguishing the designated goods or services from the goods or services of other persons."

[18] The effect of section 25 is that the Registrar is required to consider whether the proposed mark is capable of distinguishing the applicant's goods from those of other persons. In doing

so, the Registrar must first consider whether the proposed mark is inherently adapted to distinguish the applicant's goods from those of other persons. If the mark is to some extent inherently adapted to distinguish the applicant's goods from those of other persons, but the Registrar is unable to decide if it is, in fact, capable of distinguishing the applicant's goods from those of other persons, the Registrar may be aided by considering cumulatively whether – (i) the extent to which the trade mark is inherently adapted to distinguish, (ii) the use/intended use of the mark, and (iii) any other circumstances, lead to the conclusion that the mark does distinguish the goods of the applicant from those of other persons. If the Registrar answers this question positively, the mark is taken to be capable of distinguishing the applicant's goods from the goods of others. If the question is answered negatively, the mark is taken to be incapable of distinguishing the applicant's goods from the goods of others. If the Registrar finds that the mark is not inherently adapted to distinguish the applicant's goods from those of other persons, the Registrar may, nonetheless, take the mark to be capable of distinguishing the applicant's goods from those of other persons, if the applicant establishes that, because of the extent to which it has used the trade mark before the date of filing the application for registration, the mark does, in fact, distinguish the goods as being the applicant's goods. Failing this, the mark is taken to be incapable of distinguishing the applicant's goods from those of other persons.

- [19] The case of **Clark Equipment Co v Registrar of Trade Marks**³ explains the test for determining whether a mark is inherently adapted to distinguish, which is the first stage of the analysis, as follows:

*"The question is whether the mark, considered quite apart from the effects of registration, is such that by its use the applicant is likely to attain his object of thereby distinguishing his goods from the goods of others. In **Registrar of Trade Marks v W. and G. Du Cros Ltd.** (1913) AC 624 at 634, 635) Lord Parker of Waddington having remarked upon the difficulty of finding the right criterion by which to determine whether a proposed mark is or is not "adapted to distinguish" the applicant's goods defined the crucial question practically as I have stated it, and added two sentences which have often been quoted but to which it is well to return*

³ (1964) 111 CLR 511

for an understanding of the problem in a case such as the present. His Lordship said:

"The applicant's chance of success in this respect (i.e. in distinguishing his goods by means of the mark, apart from the effects of registration) must, I think, largely depend upon whether other traders are likely, in the ordinary course of their businesses and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods. It is apparent from the history of trade marks in this country that both the Legislature and the Courts have always shown a natural disinclination to allow any person to obtain by registration under the Trade Marks Acts a monopoly in what others may legitimately desire to use." The interests of strangers and of the public are thus bound up with the whole question, as Hamilton L.J. pointed out in the case of R. J. Lea, Ltd. 30 RPC 216 at 227; but to say this is not to treat the question as depending upon some vague notion of public policy; it is to insist that the question whether a mark is adapted to distinguish be tested by reference to the likelihood that other persons, trading in goods of the relevant kind and being actuated only by proper motives - in the exercise, that is to say, of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily possess - will think of the word and want to use it in connection with similar goods in any manner which would infringe a registered trade mark granted in respect of it."⁴ {Emphasis added}

- [20] Counsel for IT Mr Elliot contends that the Registrar erred in the interpretation of section 25 of the Act. The section sets out the criteria for determining whether a trade mark is capable of distinguishing the applicant's goods from those of others. That criterion is the extent to which the trade mark is inherently adapted to distinguish the applicant's goods. The section then goes on to stipulate how the Registrar must treat with the varying degrees to which a mark is inherently adapted to distinguish. Contrary to Mr Elliot's submission, this interpretation does not lead to any incongruity with subsection 5, which simply admits of an exception by acknowledging that, by virtue of long association with the applicant and its goods, a mark that lacks a distinct character or distinguishing feature may, nonetheless, be capable of distinguishing the applicant's goods.

⁴ At pages 513-514

- [21] The **Clark case** clearly explains that the test is whether other traders of similar goods are likely to want to use the mark or some component of it in connection with similar goods without having any improper motive such as to deceive or cause confusion, but out of a desire to exercise their common right to use the ordinary meaning of the words in relation to their goods.
- [22] Importantly, section 25 of the Act does not require an assessment of the similarity of the applicant's goods with the goods of others. That requirement does not emerge from the express words of the provision and there is no basis for importing it when specific sections of the Act prescribe that issue. Subsection 5 is only applicable where the Registrar finds that the proposed mark is not inherently adapted to distinguish the applicant's goods from the goods of others. Quite the opposite, the Registrar found that KAM's mark was capable of distinguishing its goods from that of others.
- [23] Considering the evidence afresh, the goods in question are cigarette and tobacco products and the words in the proposed mark is "BUSINESS ROYALS". I agree that it is unlikely that an ordinary trader of cigarette and tobacco products would, for legitimate and proper reasons only, wish to use the words BUSINESS ROYALS, in their ordinary sense, in relation to such products. The proposed mark is therefore unlikely to monopolize and/or infringe upon the legitimate interests of other traders and the public to use words forming part of the common heritage. Thus, I too find that the mark is capable of distinguishing KAM's goods from the goods of others.

Is KAM's mark likely to deceive or cause confusion to consumers pursuant to section 27 of the Act?

- [24] Section 27 of the Act provides as follows:

"27. Trade mark likely to deceive or cause confusion

An application for the registration of a trade mark in respect of particular goods or services shall be rejected if, because of some connotation that the trade mark or a sign contained in the trade mark has, the use of the trade mark in relation to those goods or services would be, likely to deceive or cause confusion.

- [25] Mr. Elliot challenges the Registrar's findings on the question of whether KAM's mark is likely to deceive or cause confusion, submitting that the Registrar misdirected herself by stating that "the Opponent has to show that another person's trade mark, registered or unregistered, had acquired a reputation in the country before the priority date of the applicant's trade mark." He asserts that the Registrar erred by placing heavy reliance on the reputation of IT's mark in St. Lucia, as a specific geographic location or market, as opposed to the reputation of the mark generally, without reference to a particular locale.
- [26] The Registrar, in summary, found that the purpose of section 27 is to prevent the public being deceived or confused as to the nature of the goods by reason of the secondary meaning connoted by the mark in question. If the trade mark, or some part of the trade mark, contains a connotation that would be likely to deceive or confuse within the relevant market, then a ground for rejection should be raised. The Registrar defined "connotation" to mean "signifying in addition; inclusion of something in the meaning of a word besides what it primarily denotes; implication." She stated that for a ground of rejection to be raised, the connotation must be obvious, direct, and immediate and within the trade mark itself. Importantly, it must be judged as giving rise to deception and/or confusion. Further IT would have to show that another person's trade mark, registered or unregistered, had acquired a reputation in the country before the priority date of KAM's trade mark, and that in light of that reputation, use of KAM's trade mark would be likely to deceive or cause confusion.
- [27] Upon examination of section 27 neither of the last two elements identified by the Registrar are contained in the express words of the section, and neither do they arise from the case law that deals with the section. On the contrary these elements encroach upon section 28 of the Act, which deals with identical or deceptively similar marks and therefore cannot also be the purview of section 27.
- [28] The case of **Pfizer Products Inc v Joseph Karam**⁵ explains the proper interpretation and application of section 43 of the Australian Trade Marks Act 1995, which is identical to section

⁵ [2006] FCA 1663

27 of the Act. On appeal, Gyles J made the following observation on several sections of that Act stating:

*"27. The grounds of opposition which are pressed on this appeal are those provided by ss 43, 44 and 60. There is an obvious overlap between the three and it is useful to briefly note the relationship between them. What is the difference between s 44 and s 60? In the present case, the marks are not substantially identical, therefore, the issue is deceptive similarity. Section 60 depends upon the opponent's mark having acquired a reputation in Australia by virtue of which the use of the trade mark applied for would be likely to deceive or cause confusion because of the deceptive similarity between them. Section 44(1) refers to deceptive similarity between the applicant's mark and a mark registered by another person in respect of similar goods. In other words, the comparison is between mark and mark, not between mark and reputation. **Where does s 43 fit in? The focus of this section is a connotation or secondary meaning of the mark applied for which would make the use of the trade mark in respect of particular goods likely to deceive or cause confusion.** There is a plethora of authority concerning s 44 and s 60. There is little authority as to s 43."*⁶

[29] Gyles J defined connotation thus:

*"53. Connotation' is a secondary meaning implied by the mark. **The likelihood of deception or confusion must flow from the secondary meaning inherent in the mark itself.** It is apparent that the underlying purpose of s 43 is a similar purpose to that lying behind ss 52, 53 and 55 of the Trade Practices Act 1974 (Cth). **It is to prevent the public being deceived or confused as to the nature of the goods offered by reason of a secondary meaning connoted by the mark in question, rather than, for example, deception by reason of similarity with other marks** (TGI Friday's Australia Pty Ltd v TGI Friday's Inc (2000) 100 FCR 358 at [43]; McCorquodale v Masterson at [25]–[26])."*⁷

[30] Gyles J further noted that:

*"The Explanatory Memorandum stated that cl 43 provides:
'That an application for registration must be rejected if the trade mark ... **because of some signification inherent to it,** would be likely to deceive or cause confusion regarding a characteristic of the goods or services.'*"⁸

⁶ At paragraph 27

⁷ At paragraph 53.

⁸ At paragraph 52.

[31] In **Pfizer**, in the hearing below, the Delegate, in relation to section 43, expressed:

"20. This section does not depend on the existence of a conflicting trade mark. Connotation refers to that which is implied within the mark itself, as a secondary implied or associated meaning: Down to Earth (Victoria) Co-operative Society Ltd v Schmidt (1998) 41 IPR 632 at 644 and confirmed in Winton Shire Council v Lomas (2002) 56 IPR 72.

21. TGI Friday's Australia Pty Ltd v TGI Friday's Inc [2000] FCA 720 confirms that the connotation must be in the applicant's trade mark itself. The connotation cannot be determined as a result of external considerations, such as reputation or use." [Emphasis added]

[32] In the **Pfizer case**, the applicant had sought to register the marks HERBAGRA; HERB AGRA; HERB-AGRA in relation to the same class of goods as the opponent's mark VIAGRA. The opponent argued that given the substantial reputation of its mark, the suffix "-AGRA" signified association with the opponent especially in relation to class 5 goods. Gyles J held that there was no relevant secondary meaning, neither of sponsorship nor association, connoted by the mark HERBAGRA and its variations.

[33] Similar remarks were made in the case of **Big Country Developments Pty Ltd v TGI Friday's Inc**⁹, where the Court said:

"43. It is important to note that the right to apply for rectification of the register which is conferred by paragraph (c) is excluded only in relation to deception or confusion that arises for a particular reason specified in section 43 or 44. The paragraph does not exclude a claim for rectification that arises for some other reason. The case on deception and confusion sought to be made by Big Country and Friday's Australia in the present proceedings is one that falls outside the reasons specified in those sections. It does not depend upon some connotation in the registered mark, but upon its similarity to a name used by Big Country and others. So the alleged deception or confusion is not for a reason covered by section 43. And section 44 does not apply because no application has been made for registration of the mark with which the registered mark is said to be substantially identical or to which it is said to be deceptively similar ..." [Emphasis added]

⁹ (2000) 48 IPR 513 at 521

- [34] Under section 27, the consideration, therefore, is whether there is some inherent feature of the mark itself, which gives rise to a secondary meaning that is likely to deceive or confuse persons as to the nature or character of the goods. If there is some inherent feature of the mark that gives rise to a secondary meaning, the analysis proceeds to a consideration of the likelihood of confusion or deception arising from the secondary meaning inherent in the mark. No such secondary meaning has been put forward in the present case, save similarity between KAM's mark and IT's mark, and the reputation of IT's goods, which, without more, is insufficient to establish this ground. Therefore, this ground of appeal fails.
- [35] By way of commentary, regarding section 27 of the Act, the Registrar considered the question whether KAM's mark was likely to deceive or cause confusion because of well-known use of the mark by IT. In this context she considered the reputation of IT's mark in Saint Lucia prior to KAM's application for registration. She found that IT had failed to furnish evidence of use and reputation of its mark in Saint Lucia such as customer appreciation, volume of sales, and marketing and advertising efforts. In the absence of IT's mark being well known and acquiring reputation in Saint Lucia, she held that there was no likelihood of KAM's mark resulting in confusion or deception of consumers in Saint Lucia.
- [36] I have already concluded that objection to registration of a trade mark on the ground that it is likely to cause deception or confusion amongst the public because it is similar or identical to the opposant's well-known mark is not the scope of section 27, and is properly the scope of section 28 of the Act, which was never pleaded as a ground of opposition to KAM's application, neither before the Registrar nor this Court. Thus, there was no basis to apply the principles and criteria relevant to this ground of opposition. Nonetheless, even if the ground had been pleaded, IT would not have been successful on same.
- [37] Section 28(1) provides that an application to register a mark in respect of goods shall be rejected if the mark the applicant seeks to register is substantially identical or deceptively similar (i) to a trade mark registered by another person in respect of similar goods or closely related services; or (ii) to a trade mark that another person is seeking to register in respect

of similar goods or closely related services; and (iii) the priority date for registration of the applicant's mark is not earlier than the priority date for registration of the other mark.

- [38] For this section to have been available to IT as a ground of objection to KAM's application, IT would have either – had to have already successfully obtained registration of the mark in its name or have a pending application for registration. This was highlighted by their Lordships in **Big Country Developments Pty Ltd v TGI Friday's Inc**¹⁰, where it was held, in respect of section 44 of the Australian Trade Marks Act 1995, which is identical to section 28 of the Act:

“And section 44 does not apply because no application has been made for registration of the mark with which the registered mark is said to be substantially identical or to which it is said to be deceptively similar ...”
[Emphasis added]

Is IT the owner of the trade mark “BUSINESS ROYALS” pursuant to section 42 of the Act?

- [39] Section 42 of the Act provides as follows:

“42. Applicant not owner of trade mark

The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.”

- [40] The case of **Sprints Ltd v Comptroller of Customs and another**¹¹, examines ownership of a mark. In that case, the appellant applied to the Comptroller of Customs in Mauritius, to have the name “Chipie” registered as a trade mark in Mauritius. The application was opposed by the second respondent, who is the registered owner of the trade mark “Chipie” in a considerable number of countries, but not in Mauritius. Both the Comptroller, and the Supreme Court upon appeal, refused registration. The appellant appealed to the Board.

¹⁰ (2000) 48 IPR 513 at 521, paragraph 43

¹¹ [1999] Lexis Citation 3993.

[41] It was noted that the appeal concerned ss.4(1) and 10 of the Trade Marks Act 1938. Section 4 provided that an application for registration may be made by any person who has a right to use a trade mark, whilst section 10 prohibited the registration of a mark upon the ground inter alia that the use of the mark would be disentitled to protection in a court by reason of its being calculated to deceive.

[42] In relation to section 4, the Board observed that it followed that a person may have a right to a trade mark, but not be able to register it. On the other hand, if a person has no right to the mark in question, then he is not entitled to apply for registration and any application to register the mark must fail. The Board further observed that one situation in which the applicant does not have a right is where someone else has the right and the property in the trade mark. Thus, the Board went on to consider what it means to have the right and property in a trade mark, that is ownership, and how same might be acquired. The Board had this to say:

"The conclusion that the appellant had no right to or property in the mark relates to s.4. The conclusion appears to have followed from the finding that the second respondent had the right and property in the trade mark. The first question in the appeal is accordingly whether that finding was sound.

It should be borne in mind at the outset that what is in issue here is the right to use the mark in Mauritius. The application was for registration in Mauritius and it is in relation to that country that the problem of the right to use the mark has to be addressed. The reference to a right in a trade mark in s.4 is a reference to a common law right. So far as the law in that respect is concerned Lord Morris of Borth-y-Gest observed in *Berlei (UK) Ltd v Bali Brasserie Co Inc (BALI Trade Mark)* [1969] 2 All ER 812, [1969] RPC 472, at page 489 of the latter report:

"Before 1875, when registration of trade marks began, there could be property in a trade mark: the right of property in a distinctive mark was acquired by a trader merely by using it upon or in connection with his goods irrespective of the length of such user and without proof of recognition by the public as a mark distinctive of the user's goods: that right of property would be protected by an injunction restraining any other person from using the mark."

Their Lordships adopt that as an accurate statement of the position at common law. Accordingly what is required in the present case is evidence of user of the mark by the second respondents in Mauritius. Moreover while, as was indicated in the passage quoted, the length of the user may be immaterial this is particularly the case

where the mark is already in use as a trade mark by a trader elsewhere in the world. Proprietorship of the mark can then be proved by a minimal user in the country where the mark is proposed to be registered. A limited user in the UK, even without any public user, has been sufficient to stop the registration in the UK of a mark owned by a foreign firm (*In the Matter of a Trade Mark of the New Atlas Rubber Co Ltd* (1918) 35 RPC 269). The general proposition is vouched by a number of cases in other jurisdictions, such as *The Seven Up Company v OT Ltd* (1947) 75 CLR 203, at page 211, *Thunderbird Products Corporation v Thunderbird Marine Products Pty Ltd* [1974] 131 CLR 592, *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd* [1979] RPC 410, *Karu Pty Ltd v Jose* (1994) 30 IPR 407, and *Hong Kong Caterers Ltd v Maxim's Ltd* [1983] HKLR 287, at page 296.

It is evident from the material produced before the Comptroller that the second respondent had been using the trade mark "Chipie" in many countries throughout the world before the appellant began to use it in Mauritius. Indeed the second respondent produced a lengthy list of the registrations it had made of the mark in a wide range of countries. Of particular significance is the fact that these countries included several with which Mauritius has particularly close connections, such as the United Kingdom, France, South Africa and countries in the Far East. That user and those registrations related to the same kind of goods as those in respect of which the appellant was seeking to register the mark. The Comptroller of Customs was unquestionably entitled to hold as he did that the second respondent had been using the mark extensively well before the appellant.

The next question accordingly is whether there is evidence to prove at least a minimal user of the second respondent's mark in Mauritius. From the material which was placed before the Comptroller it is clear that labels displaying the name "Chipie" were sent to Mauritius by the second respondent and applied to garments manufactured in Mauritius by a firm called Cogimex (Mtius) Ltd. This was clearly done on a significant scale. Furthermore there was a number of invoices produced relating to sales transactions passing between the second respondent and Cogimex in the course of which the former used the name "Chipie". Mr Rivalland stated on affidavit that Cogimex supplied the second respondent with "Chipie" trousers, jeans and jackets from 1987 to 1991.

...

Their Lordships are satisfied that the foregoing activities amounted to a user of the second respondent's mark in Mauritius since 1987, that is before the appellant began to use it, and that that user was quite sufficient to give the second appellant the right to the mark in Mauritius so as to make it impossible for the appellant to claim a right for the purposes of s.4(1). That the appellant

has developed an association with the "Chipie" mark for itself since 1990 provides no counter to the second respondent's position. The rights of the legal owner of the mark cannot be ousted by the efforts of his rival to appropriate the mark. It has not been suggested that the appellant was an honest concurrent user of the mark. [Emphasis added]

- [43] Similarly, in **Moorgate Tobacco Co Ltd v Phillip Morris Ltd and another**¹², Deane JJ, on the question of who a proprietor is, for the purpose of the Trade Marks Act of Australia, stated:

"21. The prior use of a trade mark which may suffice, at least if combined with local authorship, to establish that a person has acquired in Australia the statutory status of "proprietor" of the mark, is public use in Australia of the mark as a trade mark, that is to say, a use of the mark in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods with respect to which the mark is used and that person (see, generally, The Shell Co. of Australia Ltd. v. Esso Standard Oil (Australia) Ltd. (1963) 109 CLR 407, at pp 423-424; Re The Registered Trade Mark "Yanx"; Ex parte Amalgamated Tobacco Corporation Ltd. (1951) 82 CLR 199, at pp 204-205; and the definition of "trade mark" in s.6(1) of the Trade Marks Act). The requisite use of the mark need not be sufficient to establish a local reputation and there is authority to support the proposition that evidence of but slight use in Australia will suffice to protect a person who is the owner and user overseas of a mark which another is seeking to appropriate by registration under the Trade Marks Act. In such a case, the court "seizes upon a very small amount of use of the foreign mark in Australia to hold that it has become identified with and distinctive of the goods of the foreign trader in Australia" (see The Seven Up Co. v. O.T. Ltd. (1947) 75 CLR 203, at p 211; Aston v. Harlee Manufacturing Co. (1960) 103 CLR 391, at p 400). In so far as the trade mark "KENT Golden Lights" is concerned, Loew's was the author, owner and user of that mark in the United States. Assuming, in its favour, that evidence of but slight use in the course of trade in Australia would suffice to establish its status as proprietor of the mark, as distinct from merely precluding another from establishing local authorship, the question arises whether there was evidence of even such slight use. For Philip Morris, it is submitted that there was no evidence at all of any relevant use. That submission accords with the conclusion reached by Helsham C.J. in Eq., at first instance, and by Glass J.A. who was the only member of the Court of Appeal who found it necessary to determine the question." [Emphasis added]

¹² (1984) 156 CLR 415

[44] In **Down to Earth (Victoria) Co-operative Society Ltd v Schmidt**¹³, it was stated:

"The basis of a claim to proprietorship (ownership) of a trade mark was explained by McGarvie J who said in Settef S.p.A. v Riv-Oland Marble Co (Vic) Pty Ltd 10 IPR 402 at 413:

The basic common law principle is that the first person who uses a trade mark of an appropriate type within a country becomes the proprietor of the mark there: Re Registered Trade Mark "Yanx"; Ex parte Amalgamated Tobacco Corp Ltd (1951) 82 CLR 199 at 203; Thunderbird Products Corp v Thunderbird Marine Products Pty Ltd (1974) 131 CLR 592 at 603; Moorgate Tobacco Co Ltd v Philip Morris Ltd (No 2) 59 ALJR 77 at 83.

...

In considering who, within s.40(1) of the Act, was at the time of Settef's application for registration the proprietor of the trade mark, one considers who at common law was the proprietor in Australia: The Shell Co of Australia Ltd v Rohm & Haas (1949) 78 CLR 601 at 625 and 627.

***In other words, the first user of the mark in Australia (for relevant services and prior to the date of application) becomes the owner at common law. That ownership, however, is limited to "the same kind of thing", as per Holroyd J in Hicks' Trade Mark, supra. Any small amount of use will suffice, but the effect of the act relied on to constitute use must be the creation, in the minds of those concerned, of an impression that services of a particular trader are being offered for sale, in Australia, under the trade mark."** [Emphasis added]*

[45] Based on the foregoing, it is evident that to acquire ownership of a mark within a jurisdiction, one must be able to show user, however minimal, of the mark in the specific jurisdiction and not elsewhere. In the **Sprints case**, the second respondent was able to show extensive user overseas, however, this was not the deciding factor. The Board went on to consider and was satisfied of the second respondent's user in Mauritius itself and this was the basis of the finding that the second respondent had the right and property in the 'Chipie' mark. Importantly, the Board commented that the appellant's user of the mark since 1990 did not displace the second respondent's earlier user since 1987, without questioning the extent of use.

¹³ (1998) 41 IPR 632

[46] In the present case IT has provided no evidence of user of the mark in Saint Lucia, nor has it applied to register that mark in Saint Lucia. IT has provided evidence of user and registration of the mark outside of Saint Lucia only, which does not suffice to establish ownership of the mark in Saint Lucia. Therefore, IT did not acquire the right and property in, or ownership of, the mark prior to KAM's application for registration. Consequently, KAM was not precluded from seeking to register the mark, and section 42 of the Act is not a basis for opposing or rejecting its application. This ground of appeal must also fail.

The Berne Convention

[47] Mr Elliot contends on behalf of IT that it has also obtained copyright registration for the "BUSINESS ROYALS" trade mark in the United Kingdom which extends protection to all countries which are signatories to the Berne Convention, to which Saint Lucia became a signatory in 1993. I note that the Berne Convention deals specifically the protection of literary and artistic works and does not extend to trade marks. The present case concerns the respondent's application to register a trade mark under the Trade Marks Act, which is separate and distinct from copyright registration. The requirement to register the mark in this jurisdiction is not displaced by the registration of a copyright in the UK. The appellant would still have had to register the mark here if it is to be used to mark and identify the products that it sells. At no time has IT applied to register its mark in this jurisdiction.

[48] I therefore conclude that registration of a copyright in the UK, without more, does not assist the appellant.

Conclusion

[49] Based on the foregoing, my findings are that:

1. KAM's mark "BUSINESS ROYALS" does distinguish and is capable of distinguishing KAM's goods from that of other traders pursuant to section 25 of the Act, as it is unlikely that an ordinary trader of cigarette and tobacco products, would, for legitimate and proper reasons only, wish to use the words "BUSINESS ROYALS", in their ordinary sense, in relation to such products.

2. KAM's mark is unlikely, because of some connotation inherent in the mark, to deceive or cause confusion pursuant to section 27 of the Act. There is no evidence of any connotation i.e. secondary meaning contained in the mark "BUSINESS ROYALS". Whether KAM's mark is likely to cause confusion or deception because of its similarity to IT's well-known mark is irrelevant to the determination of section 27.
3. IT is not the owner of the mark, as it has failed to adduce evidence of user of the mark, however minimal, in Saint Lucia prior to KAM's application for registration of the mark.

[50] I therefore make the following orders:

1. The appeal is dismissed.
2. Costs to the respondent to be assessed, if not agreed within 21 days.

Cadie St Rose-Albertini
High Court Judge

[SEAL]

By the Court


Registrar