# LEGAL UPDATE



11 September 2024



# **Unregistered Trademarks Face Exposure**

- · Court rules mark must be registered
- Unregistered well-known marks remain legally unprotected
- · Mark infringement claims rejected
- · High Court decision overturned

# Background

On 30 August 2024, the Court of Appeal of Tanzania (the Court) delivered its judgment in Civil Appeal No. 254 of 2021 which is a landmark decision regarding legal protection of the well-known trade and service marks. In arriving at its decision, the Court made a thorough analysis of various provisions of the Paris Convention for the Protection of Industrial Property, 1883 and the Trade and Service Marks Act, 1986. This decision is an eye-opener for owners of trade and service marks in so far as registration and protection of such marks are concerned in Tanzania.

The background of this dispute is that the Respondents filed a suit against the Appellant before the High Court of Tanzania (Commercial Division) alleging that the Appellant's registration of a company in the name of JP Decaux Tanzania Limited and using a domain name of jpdecaux.com were infringing its well-known trademark of JC Decaux. The facts which were not disputed during the trial were that, the Respondents were the owners of a trademark of JC Decaux which was registered and used in many other countries around the world, including African countries. This trademark was registered in Tanzania in 2016, almost two years after the Appellant company was registered. The issue for determination by the High Court was whether the Appellant's incorporation of a company in the name of JP Decaux Tanzania Limited amounts to infringement of the Respondent's trademark JC Decaux.

The High Court decided in favor of the Respondents and granted some of the reliefs sought which included, among other things, an order to restrain the Appellant, its agents, representatives, servants, assignees and other persons acting under her instructions from trading, marketing, advertising and or dealing in the name of JP Decaux or any other name closely resembling the first Respondent's trademark, JC Decaux. The reasoning of the High Court in reaching its decision was that, Tanzania is a member to

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the Paris Convention for the Protection of Industrial Property, 1883 and that the Convention is recognized under the Trade and Service Marks Act, 1986. As such, the High Court found that it was not correct for a person to register a company name confusingly similar to a well-known mark with a widely established goodwill in its business while aware of the existence of the same.

The Appellant was aggrieved by the decision of the High Court, hence appealed to the Court of Appeal. The appeal was supported with two grounds, namely: (i) the High Court Judge erred in law and fact by holding that the Appellant's name, JP Decaux Tanzania Limited, which is a company name incorporated by the Registrar of Companies infringes the first Respondent's well known trademark, JC Decaux, while the Appellant company was incorporated in Tanzania prior to the registration of the first Respondent's trademark in Tanzania; and (ii) the High Court Judge erred in law and fact by awarding the Respondents the sum of TZS 3M as punitive damages and TZS 20M as general damages while the Appellant company was incorporated in Tanzania prior to the registration of the first Respondent's trademark in Tanzania.

## Judgement of the Court

In its judgment, the Court allowed the Appellant's appeal, quashed the decree of the High Court, set aside the orders for payment of both punitive and general damages, and waived the restraint order against the Appellant and its associates. Generally, the Court observed that the Appellant's registration of a company in the name similar to the Respondent's mark could not amount to infringement since, at the time the company was registered, the Respondent's mark was not registered in Tanzania. Further, the Court held that even though the Respondent's mark was well known worldwide, yet the Respondent had an obligation to abide by the local laws on protection of trademarks. Furthermore, the Court noted that early registration of a trade or service mark is paramount for one to successfully maintain a suit on infringement. The issue of passing off of the mark was not before the Court. Consequently, the Appellant's appeal was allowed with costs.

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