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8 August 2018

Well-known trade marks in Kenya: the bar is high

by Bernard Mukasa

The recent Kenyan High Court judgment in the case of *Sony Corporation v Sony Holdings Limited* (a decision of Judge Tuiyoyy dated 29 May 2018) has attracted considerable attention. Much of the talk has been around the fact that Sony, arguably one of the best known brands in the world, was denied protection as a well-known trade mark. But there's more to this judgment than that.

What happened in this matter was that a company called Sony Holdings Limited filed applications in Kenya to register two trade marks, Sony Holdings and Sony Holdings together with a device, in eight classes:

- 12 (vehicles);
- 16 (paper goods);
- 25 (clothing);
- 35 (business services);
- 36 (financial services);
- 37 (repair services);
- 39 (transport services); and
- 45 (diverse services, including legal, security and personal).

The Japanese company, Sony Corporation, opposed these applications. Sony Corporation's opposition was based on the fact that it already had registrations in Kenya for the trade mark Sony in classes 35, 36, 37 and 39. Insofar as the remaining classes were concerned – 12, 16, 25 and 45 – Sony Corporation's opposition was based on the fact the trade mark Sony is a well-known trade mark. Section 15A of the Kenyan trade mark legislation grants specific protection to well-known trade marks.

The Assistant Registrar found against Sony Corporation on all eight classes and the company filed an appeal to the High Court. The judge ruled that the Assistant Registrar had been wrong to refuse the opposition insofar as the four common classes were concerned. No surprise there, as the judge said, "there is actual confusion or likelihood of confusion."

But when it came to the non-overlapping classes, where the opposition was based on the well-known marks provision, the judge felt that the Assistant Registrar was correct. The judge discussed the fact that the World Intellectual Property Organisation ("**WIPO**") has suggested that certain factors should be considered to determine whether or not a trade mark is well known. These include:

- the degree of knowledge or recognition of the trade mark in the relevant sector;
- the duration, extent and geographical area of the use of the trade mark;
- the duration, extent and geographical area of any promotion of the trade mark;
- the duration and geographical areas of trade mark applications or registrations;
- the record of successful enforcement of rights in the trade mark; and
- the value associated with the trade mark.

Based on these factors, the judge felt that Sony Corporation hadn't made a case.

Sony Corporation relied heavily on its sponsorship activities, including its sponsorship of the FIFA World Cup. It argued that, as these events had been accessible through free-to-air TV, they would have been seen by many people in Kenya. But the judge said that this was mere speculation, it wasn't proof. Actual evidence of Kenyans having watched these sponsored events was required. The judge went on to say that Sony could have avoided providing actual evidence by "inviting" the court to accept the trade mark's fame and notoriety under a particular section of the Kenyan Evidence Act, but it had failed to issue such an invitation.

Sony Corporation relied on other things too. It claimed that its trade mark is registered throughout the world and it submitted a list of its trade mark registrations – not good enough, said the judge, copies of registration certificates were required. It claimed that Sony is "internationally recognized as a top ranking brand in terms of sales" – the judge said that this statement proved nothing. It claimed that various Sony products were sold in Kenya – the judge dismissed this because no actual sales information had been provided. The only claim that the judge did regard as relevant dealt with the "value" of the Sony brand, something that Sony Corporation argued was evidenced by rankings given to it by various branding companies. But this evidence of value was not enough on its own, nor would evidence of any other single claim (sponsorship, international registrations or sales) have been sufficient. A whole basket of factors is seemingly required.

The judge therefore concluded that Sony did not qualify as a well-known trade mark. A decision that, the judge added, "may be a shock to many."

The judge did refer to a number of foreign cases. Of particular interest to South Africans is the reference to the famous well-known marks case, *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Limited*. In this case, the court accepted that the trade mark McDonald's was well known in South Africa, despite the fact that it hadn't yet been used in the country. The court accepted as proof market survey evidence, evidence of publicity in local media, and evidence of approaches for

franchises from local companies.

It's worth noting that the judge made much of the fact that the courts will be slow to interfere with Registry decisions, the thinking being that Registry officials are experts in their field. As the judge said, a registry decision will only be overturned if there is a "compelling cause" or "a material error of principle." In this case, the Assistant Registrar's decision that the applications in the corresponding classes weren't blocked by the earlier registrations fell into this category. But the decision that Sony Corporation had failed to prove that its trade mark was well-known in Kenya did not.

On balance, we don't regard this as a negative decision. Giving a trade mark the status and protection of a well-known trade mark is not something that should be done lightly.

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