

TAMAK DISTRIBUTION LTD & ANOR v PENTAGON UNIVERSAL LTD

2015 SCJ 86

SCR No. 1152

IN THE SUPREME COURT OF MAURITIUS

[Court of Civil Appeal]

In the matter of:

- 1. Tamak Distribution Ltd**
- 2. Tamak Retail Ltd**

Appellants

v.

Pentagon Universal Ltd

Respondent

JUDGMENT

This is an appeal from a decision of the learned trial Judge “*restraining and prohibiting the defendants (now appellants) by themselves or through their agent/s préposé/s associated entity(ies), employee/s from dealing in any manner whatsoever with or in any products bearing any designs, logos, names or marks similar to or identical to or passing off as the Pentagon trademarks which trademarks are owned and registered by the plaintiff (now respondent) in Mauritius*”.

The evidence adduced before the trial court had revealed that the respondent was the registered owner in Mauritius of the following trademarks:

- (i) the ‘l (heart device) MAURITIUS’ trademark registered in Nice International Class 24 and 25 under reference 08789/2010 since 12th August 2009; and
- (ii) the ‘l (heart shape) MU’ trademark registered in Nice International Class 16, 25 and 30 under reference 00351/2005 in the name of Mr. Tang Yan Jeff H, and assigned to the plaintiff since 27th April 2009

referred to as the “Pentagon Marks”.

The respondent's contention before the trial court was essentially to the effect that the appellants had, unlawfully and without any authorisation on its part, been infringing its registered trademarks by offering for sale and marketing T-shirts and other items of clothing which bore the infringing design "I (heart device) Mauritius".

The case for the respondent was that the appellants had infringed its trademarks and that there existed similarities between the infringing logos and the respondent's registered trademarks to such an extent that the commercial exploitation of the infringing logos and products were: "(i) *infringing the trademark rights of the plaintiff in the "I (heart device) MAURITIUS" trademark; (ii) passing off as a registered trademark of the plaintiff; (iii) diluting the essential characteristic of the trademark(s) of the plaintiff; (iv) confusing the public as to the geographic origins or corporate origin of the products;*". The respondent had also contended that the appellants' acts and doings amounted to an unfair practice contrary to section 52 of the Patents, Industrial Designs and Trademarks Act ("The Act") and/or "*concurrence déloyale*" on the part of the appellants.

In their plea, the appellants had denied any unfair practice, *concurrence déloyale* or any infringement of the respondent's mark. According to the appellants, the logos on their products were neither identical nor similar to the respondent's marks and there could be no likelihood of any confusion or deception between the two products in the mind of the average consumer. The appellants' registered trademarks  and CITADEL are prominent on the alleged infringing products and there was no likelihood of confusion with the respondent's marks. The appellants added that the logos on their products were not used as trademarks but merely for their commercial appeal as an ornamentation.

The trial court, following an elaborate analysis of the evidence, reached the conclusion that there was "*no significant difference between the defendants' logo and the plaintiff's registered mark.*" The reasoning of the learned Judge is aptly summed up in the following excerpts of the judgment which highlight the tenor of the scrutinising exercise carried out by her before reaching such a conclusion:

"...A comparison of the registered trademark as it appears in Doc. P1 and the logo used by the defendants on the exhibits produced, shows that the two have very similar visual appearances. Both the plaintiff's trademark and the defendants' logo taken in their entirety are such that they have an overall identical appearance. The words used are the same save for the

first word which is written in a different manner and they denote the same meaning. Conceptually the words are written in the same manner in a similar layout with the design **I ❤️** on one line and the word “**Mauritius**” just underneath as appears from the reproduction of the marks, below:

I ❤️
MAURITIUS
(Plaintiff’s trademark)

🇲🇺 ❤️
Mauritius
(Defendants’ logo)”

“The two designs are, in my view, aurally identical and any prospective purchaser would pronounce the words in the same manner and construe them as reading “**I love Mauritius**”. The **🇲🇺** in the specific context, does not constitute a distinctive and dominant component of the defendants’ logo but it is rather part of the whole logo which can easily be construed by the average consumer, as representing the letter **I**. Indeed I note that in the defendants’ own brand which is **CITADEL** written with this character which according to the defendants is “yin”, the **🇲🇺** is pronounced as an **I**. The fact that the word **CITADEL** appears on the T-shirt produced, just under the impugned design and that the **🇲🇺** in the word is pronounced as the letter **I**, would in my view make it most likely that **🇲🇺** in the logo, would also be construed as an **I** such that it reads as **I ❤️ Mauritius**. Indeed Mr. Tsang Man Kin, the representative of the defendants, conceded that some members of the public would read **🇲🇺 ❤️ Mauritius** as **I ❤️ Mauritius**.”

Learned Counsel for the appellants addressed us first with regard to Ground 4 which reads as follows:

“The Learned Judge was wrong to hold that “the Supreme Court has a limited role in this matter” and failed to address her mind to the defences raised by the appellants to determine whether or not there was indeed an infringement on their part; which she ought to have done”

It was submitted that the learned Judge was wrong to consider that when dealing with an action for injunctive relief, the Supreme Court has a limited role and will not decide on defences which are also grounds for an application to invalidate the registered marks which should be left to the Industrial Property Tribunal (“The Tribunal”).

Quite significantly the learned Judge was only dealing with the issues which had been raised by the appellants to challenge the validity of *“the registration of the trademarks”* and not the defences raised with regard to *“the infringement of the marks”* when she referred to what she termed as the *“limited role”* of the Supreme Court. In that connection, the learned Judge referred to the various relevant provisions of the Act which specifically deal with the question of the registration of a mark and which may be summed up as follows:

- (1) Section 36(1) of the Act provides that *“the exclusive right to any mark shall be acquired by registration in accordance with the provisions of the Act”*.
- (2) As regards registration, the Act provides, that where the Controller finds that:
 - (i) the application for registration complies with all the conditions set out in sections 35 and 36(2) of the Act;
 - (ii) the application satisfies all the requirements of sections 37 and 38(1) and the regulations made under the Act; and
 - (iii) there has been no opposition to the registration of the mark within the prescribed time limit,
 the Controller shall register the mark in accordance with section 39 of the Act.

Our law with regard to the registration of a mark is governed by these express statutory provisions so that the cases referred to by learned Counsel for the appellants would not invariably find their application in respect of the determination of the registration of a mark in Mauritius or the mode of challenging the validity of a mark which has been duly registered under the Act.

As a result, the registration of the mark by the Controller confers an exclusive right to the owner of the registered mark and any interested person who intends to use a registered mark can only do so with the agreement of the registered owner (**Section 40(1) of the Act**). Failure to do so would expose him both to civil and criminal sanctions (**Sections 40 and 50(1) of the Act**). Any interested person, who seeks to invalidate the registration of a mark, must make an application to the Tribunal (**Section 42 of the Act**), which has jurisdiction to hear and determine any application to invalidate the Controller's decision to register a mark (**Section 10 of the Act**).

What is of further significant relevance to the present issue are the provisions of section 50 of the Act which creates a statutory right of appeal. Any person who is dissatisfied with the determination of the Tribunal may appeal to the Supreme Court by way of case stated only on the ground that the decision is "erroneous in law". More important still, section 50(3) goes on to provide that "*No person shall appeal to the Supreme Court unless he has exhausted the remedy under section 10*" i.e he must first have recourse to the Tribunal in order to contest the decision of the Controller to register the trademarks before he is entitled to appeal only in law to the Supreme Court.

The appellants had failed to comply with the above statutory provisions which have been prescribed under the Act for the express purpose of challenging before the Tribunal any decision of the Controller relating to the registration of a trademark. We find no fault with the legal reasoning of the learned Judge that since the appellants had failed to exhaust in that respect the mandatory statutory remedies, they were precluded from raising for the first time before the Supreme Court those issues which challenge the validity of the registration of the respondent's marks by the Controller. The learned Judge pointed out in that respect that "*The plaintiff's registration of the Pentagon trademarks has not been challenged as yet by any of the means provided for under the Act and as such its registration remains valid and confers upon the plaintiff the exclusive right of the mark in accordance with the provisions of Section 36(1)*".

The learned Judge was right to conclude that the appellants could not, for the first time raise before the Supreme Court, questions pertaining to the merits of the validity of the registration of the mark without those questions having in the "*first place been raised before the Tribunal which had been set up by law for that very purpose to pronounce upon the validity of*

the marks which have been registered". This is in effect what is referred to by the learned Judge as the "*limited role*" of the Supreme Court with regard to the challenge of the registration of a trademark by the appellants and cannot for all the above reasons be impeached as being wrong in law.

The learned Judge after holding that the defences raised in the plea challenging the validity of the registration of the trademarks could not be entertained since the appellants had failed to exhaust the existing statutory remedies under the Act, went on, however, to consider all the defences which were raised as regards the infringement of the registered trademarks by the appellants. This is indeed brought into sharp focus by the other grounds of appeal raised by the appellants in order to challenge the decision of the learned Judge on the issue of infringement. The argument that the learned Judge did not properly address her mind to the defences raised by the appellants in order to determine whether there has been any infringement of the registered marks is totally unfounded. The excerpts of the judgment, already alluded to, indicate that the learned Judge examined all the substantive defences which had been raised in support of the appellants' contention that they had not infringed the respondent's trademarks. The learned Judge gave due consideration in that respect to the alleged differences, pinpointed by the appellants, between the registered marks and the infringing logos and marks used by the appellants. The learned Judge in fact frontally dealt with all the defences raised by the appellants in that connection as she embarked into an elaborate examination and comparative analysis of all the salient features and characteristics of both the alleged infringing logos and the registered marks. The finding, that there is no significant difference between the logos and marks used by the appellants and the respondent's registered trademarks in view of their very similar visual appearances, is indeed fully borne out by the evidence.

We find no fault in the reasoning of the learned Judge and the following inescapable conclusions drawn by her following a flawless and unimpeachable assessment of the evidence:

"There is a real likelihood that the defendants' textile products bearing the logo that creates an overall impression of great similarity with the plaintiff's trademark, will create confusion in the mind of the average consumer as emanating from the same source i.e from the owner of the mark. This, the more so as the infringing logo is used in relation to the same products i.e textiles in respect of which the

plaintiff has registered its trademark". "It is clear that the Pentagon mark and the logo used by the defendants are so similar as to be likely to cause confusion among the average consumer. Whatever be the motivation of the defendants in using the mark, be it merely as an ornamentation, the fact remains that the similarities between the two are such as to create confusion among the average consumer."

The learned Judge's conclusion that there had been an infringement of the respondent's registered marks has thus been reached following a full consideration of the defences raised by the appellants and is fully supported by the tenor of the evidence. There is clearly no merit in any of the contentions raised by the appellants purporting to show that they had not infringed the registered marks of the respondent.

Ground 4 must accordingly fail.

We shall now turn to the other grounds of appeal.

Ground 1 reads as follows –

"The Learned Judge was wrong to find that the appellant No. 2 (then defendant No. 4) had committed an infringement of the respondent's (then plaintiff) registered marks because there was no evidence on record warranting such a finding. The Learned Judge could not have arrived at such a conclusion in the absence of the production by the respondent of an exhibit or picture or representation of the appellant No. 2's alleged infringing product which, if produced, would have enabled the Learned Judge to carry out a comparative exercise before making any finding in that regard."

That ground is clearly misconceived since there was ample evidence before the trial court to link both appellants with the infringement of the respondent's registered trademarks and which had received the full attention of the learned Judge on that issue. The representative of the respondent stated that he had bought a T-shirt and a bag from the Citadel shop at Quatre Bornes and Citadel T-shirts from a store at Grand Bay. He produced the T-shirts in court. At the initial stage of the trial, counsel for the appellants made a statement agreeing that the exhibits produced by the respondent were products emanating from the appellant No. 1.

Regarding the appellant No. 2, the evidence revealed that it is a sister company of the appellant No. 1 bearing the same brand name “Tamak”, having the same address and the same director, Mr. Tsang Fan Sing Tsang Mang Kin, who represented both appellants in court. Mr. Tsang Mang Kin’s testimony revealed that Tamak Distribution Ltd (appellant No. 1) distributes the products to other companies for sale whereas Tamak Retail Ltd (appellant No. 2) sells Citadel products in its shops to the public. Mr. Tsang Mang Kin’s evidence further revealed that the Citadel brand belongs to the Tamak group and the products commercialised under that name belong to that group. Doc 26(e) shows the “Collection Popular” of Citadel which includes the “ Mauritius” design. The learned Judge was in presence of unquestionable evidence which established that appellant no. 2 was selling and commercially exploiting Citadel products in its shops on which appeared the infringed mark. The finding of the learned Judge that both appellants had committed an infringement of the respondent’s registered marks is fully borne out by the evidence and cannot be challenged.

Ground 1 fails.

We shall now turn to ground 2 which reads as follows:

“Having found that “there is no evidence that [the respondent’s] trademark is well known on the market or indeed that the [respondent] has acquired any goodwill in respect of the trademark”; and also that “there is no evidence of active production of items using the Pentagon marks or that the [respondent] has actually earned any income in respect of the mark”, the Learned Judge was wrong to hold that the appellants committed an act of unfair practice under The Patents, Industrial Designs and Trademarks Act 2002 as well as The Protection Against Unfair Practices (Industrial Property Rights) Act 2002.”

The finding of the trial Judge that the respondent’s mark was not well-known on the market and had not acquired any goodwill, would not vitiate a finding of unfair practice in breach of the Patents, Industrial Designs and Trademarks Act 2002 (“The Act”) as well as under the Protection Against Unfair Practices (Industrial Property Rights) Act 2002. Our law as to what would constitute unfair practice is governed by the relevant provisions of the Act to which the learned Judge made reference.

An unfair practice is thus defined under **Section 52 of the Act** in the following terms:

“52. Unfair practice

(1) Any act in breach of sections 21, 32 and 40, shall amount to an act of unfair practice and may give rise to a claim in damages” (Emphasis added)

The evidence adduced before the trial court, and which was accepted by the Judge, had established that the appellants had made use of logos which are so similar to the logo of the respondent that they were likely to cause confusion in the mind of the public. This by itself was sufficient to establish a breach of section 40 of the Act, which breach amounts, without more, to an unfair practice under section 52. Section 40(3) of the Act in fact expressly provides that “*any registered owner may, where the use of any sign similar to the registered mark or in relation to goods and services similar to those for which the mark has been registered, is likely to cause confusion in the public, institute Court proceedings in accordance with subsection (2)*”.

The trial court further referred to the definition of “*unfair practice*” under **Section 2 of the Protection Against Unfair Practices (Industrial Property Rights) Act 2002**, which lays down that “*unfair practice*” includes any act referred to in **Section 52 of the Patents, Industrial Designs and Trademarks Act**. There was indeed no obligation, as submitted by Counsel for the appellants, that it was incumbent upon the respondent to further prove that it was carrying on any industrial or commercial activity with a certain goodwill or reputation or that the respondent was involved in an “active production” of products associated with its marks.

We therefore find no fault, and no reason to interfere, with the finding of the trial court that by infringing the Pentagon marks and making use of a logo likely to create confusion in the mind of the public, the appellants have committed an unfair practice in breach of The Patents, Industrial Designs and Trademarks Act as well as The Protection Against Unfair Practices (Industrial Property Rights) Act 2002.

Ground 2 is accordingly devoid of any merit.

Ground 3 reads as follows:

“The Learned Judge was wrong in law to hold that “the [Appellants] impugned logo is illegal inasmuch as there is no evidence to the effect that the Minister has by virtue of Section 36(4) of the Act authorised the use of the word “Mauritius” therein” inasmuch as the Learned Judge has confused “use” with “registration”. S.36(4) of the Patents, Industrial Designs and Trademarks Act 2002 only deals with the registration and not the use of marks containing the word “Mauritius.”

Counsel for the appellants submitted that the trial court wrongly interpreted section 36(4) of the Act and gave it a meaning that it does not have. Counsel argued that the above section prevents only the registration of a mark bearing the word “Mauritius” without the authorisation of the Minister. It does not prohibit the use of a mark containing the word “Mauritius”.

The relevant part of the judgment in that connection reads as follows:

“There is no evidence to the effect that the defendants have registered or even attempted to register the impugned logo. Given that this logo contains the word “Mauritius”, it could only have been registered and thereafter put into use, with the authority of the Minister. In the absence of such authorisation, the impugned logo is an illegal one and for that reason alone, the defendants should be prohibited from continuing to use it.”

Section 36(4) of the Act, *inter alia*, provides that no mark which contains the word “Mauritius” shall be registered except with the authority of the Minister. Section 36(4) however, read in conjunction with section 40(2), (3) and (4) of the Act, prescribe that there are judicial remedies which are available to a registered owner who may institute court proceedings against a person “*who performs any act likely to cause an infringement in respect of the “unlawful use” of the mark*”. Section 51 goes even further by creating a criminal offence for the unlawful performance of any act referred to in section 40 which includes the unlawful use of a mark. We consider therefore that the learned Judge did not err in law when she held that the use of a logo containing the word “Mauritius”, without it having been registered with the authorisation of the Minister, is illegal.

Ground 3 also fails.

Ground 5 is as follows:

“The Learned Judge was wrong to find for the respondent inasmuch as the evidence on record clearly shows that the respondent’s alleged marks were not used and had never been used or intended to be used as a trademark, which is an essential pre-requisite to infringement so much so that there could not have been a finding by her that the appellants had infringed the respondent’s marks.”

It was submitted under this ground that the alleged infringing mark was not used as a trademark but rather for its commercial appeal as an ornamentation and that no average purchaser would perceive the **I (heart shape) MAURITIUS** as a badge of origin.

The evidence before the trial court had clearly established that the appellants used the mark in the course of their trading activities in relation to textile garments, without the consent of the registered owner, and such use was likely to create confusion as to the origin of the products in a manner which infringed the registered trademarks of the respondent. The appellants' contention that they had used the mark as an ornamentation is untenable in view of the overwhelming evidence which justifies the learned Judge's finding that the appellants' infringing logos were not merely being used as an ornamentation but constituted an unlawful use in a trademark sense. The infringing use, as already highlighted, unquestionably constituted an illegal use of the respondent's marks in a manner which clearly falls within the purview of the statutory restrictions imposed against the unlawful use of any registered trademark under section 40 of the Act.

Ground 5 fails.

Ground 6 reads as follows:

"The Learned Judge was wrong to hold that "the Pentagon mark and the logo used by the [Appellants] are so similar as to be likely to cause confusion among the average consumer"; inasmuch as the learned Judge failed to take into account factors which she ought to have taken into account and took into account factors which she ought not to have taken into account."

This ground refers generally to factors which ought to have been taken into account and those which ought to have been discarded by the trial court in deciding the issue of similarity between the marks and confusion among the average consumer, without however identifying the relevant factors which ought to have been considered and the irrelevant ones which ought to have been discarded by the Court. Under this ground it was again submitted as under ground 5 that the appellants' marks had in fact not been used to identify the source of the product. They had instead been used and perceived as an ornamentation and as such could not be regarded by the average purchaser as an indicator of origin. The appellants' contention was that there was no likelihood of confusion in the mind of the average consumer as to the source or origin of the product with the alleged infringing mark.

The trial court, in its analysis on the issue of similarity of the designs and the likelihood of confusion between the two, took into account all the relevant factors and issues raised by the appellants.

The court made a comparison between the two logos and noted that they had “very similar visual appearances” and “an overall identical appearance”. It analysed the wording of the two logos and found them not only to be similar but also to convey the same meaning. The Court found that both designs had similar concepts and that “conceptually the words were written in a similar layout”. It further found that the two designs were “aurally identical” and any prospective purchaser would pronounce the words in the same manner and construe them as reading “**I love Mauritius**”. The Court was further of the view that “The  in the specific context, does not constitute a distinctive and dominant component of the defendants’ logo but it is rather part of the whole logo which can easily be construed by the average consumer, as representing the letter **I**”.

We further agree with the following analysis made by the trial court on the issue of likelihood of confusion:

*“...there is a real likelihood that the defendants’ textile products bearing the logo that creates an overall impression of great similarity with the plaintiff’s trademark, will create confusion in the mind of the average consumer as emanating from the same source i.e. from the owner of the mark. This, the more so as the infringing logo is used in relation to the same products, i.e. textiles, in respect of which the plaintiff has registered its trademark. The fact that the defendants’ mark **CATADEL** appears on the impugned product and on the label inside the product, is not likely to dispel possible confusion.”*

There is clearly no merit in the appellants’ submission that the mark had been used merely as an ornamentation for its commercial appeal and not as a trademark, or that the learned Judge was wrong to hold that the Pentagon mark and the logo used by the appellants are so similar as to be likely to cause confusion among the average consumer.

Ground 6 accordingly fails.

Ground 7 reads as follows:

“The Learned Judge was wrong to have granted the prayer for an order of an injunction, which is an equitable remedy against the appellants. Indeed, the evidence on record clearly shows that the respondent’s registered marks were not put to proper and/or genuine use and that the respondent is a trader in marks and not a trader in products associated with its marks.”

Under this ground it was submitted that the trial Judge should not have granted the injunction prayed for inasmuch as the respondent did not carry out any trade with products bearing the registered mark. It was argued that the respondent was merely a trader in trademark and that the respondent was of bad faith and was not entitled to any equitable relief.

We do not agree with this submission. Firstly, the respondent had lawfully registered the trademark and as such was entitled under the Act to protection against any infringement of the mark. Furthermore, **section 43 of the Act** prescribes the statutory remedy which is exercisable with regard to any alleged non-use of a registered mark by the registered owner.

Section 43 reads as follows:

“43. Removal on grounds of non-use

- (1) Any interested person may request the Controller to remove from the register, a mark in respect of any goods or services in respect of which it is registered, on the ground that up to one month prior to filing the request, the mark had, after its registration, not been in use by the registered owner or a licensee during a continuous period of not less than 3 years.*
- (2) Notwithstanding subsection (1), no mark shall be removed from the register, unless the Controller is satisfied that there were reasonable circumstances that prevented the use of the mark and that there was no intention not to use or to abandon the same in respect of those goods or services.”*

The appellants failed to comply with the above statutory provisions, which are applicable in the eventuality of any alleged non-use of a registered mark. There is accordingly no merit in any of the arguments raised under ground 7.

As for ground 8, it reads as follows:

“The Learned Judge was wrong to hold that the authorisation of the Minister of Foreign Affairs was duly obtained for the registration of the respondent’s marks in the absence of any documentary evidence to that effect.”

The relevant section of the law pertaining to the issue raised in this ground of appeal is section 36(4)(d) of the Act which provides as follows:

“No mark which contains either -

(d) the word "Mauritius";

shall be registered except with the authority of the Minister.”

(Emphasis added)

As is apparent from the above, all that section 36(4) requires is the authorisation of the Minister prior to the registration of the mark. It does not prescribe any specific manner in which such an authorisation must be obtained.

In the present case the Court accepted the uncontroverted testimony of the Acting Controller of the Industrial Property Office that such authorisation from the Minister had in fact been obtained. He further confirmed that all the conditions set out under the law had been satisfied and that the Minister had authorised the registration of the trademark on 16 November 2009. The Court accordingly reached the conclusion that the authority of the Minister had been duly obtained for the registration of the Pentagon marks.

We agree with this conclusion and ground 8 must also fail.

All the grounds of appeal having failed, we dismiss the appeal. With costs.

**K. P. Matadeen
Chief Justice**

**A. Caunhye
Judge**

18 March 2015

