

**IN THE HIGH COURT OF TANZANIA
(DAR ES SALAAM SUB REGISTRY)
AT DAR ES SALAAM
CIVIL APPEAL NO. 189 OF 2022**

*(Originating from Trademark Application No. TZ/T/2018/548 RED HORSE in Class 32
in the name of SAN MIGUEL BREWING INTERNATIONAL LIMITED and
Opposition thereto by POWER HORSE ENERGY DRINK GmbH;)*

Between

SAN MIGUEL BREWING INTERNATIONAL LIMITEDAPPELLANT

And

POWER HORSE ENERGY DRINKS GmbH..... RESPONDENT

JUDGMENT

Date of last Order: 02.05.2024

Date of Ruling: 10.06.2024

NGUNYALE, J.

Before the Deputy Registrar of Trade and Service Marks (herein after be known as the Registrar), the appellant on 22nd March 2018 filed an application for registration of Trade Mark no. TZ/T/2018/548 RED HORSE in Class 32 the same was advertised in the trade and service mark journal no. 13 dated 15th July 2018. Later, on 08th November 2018 the respondent filed a notice of opposition, objecting the registration of the appellant's



trademark on the ground that the mark is similar to her mark TZ/T/2015/514 POWER HORSE in Class 32. Upon hearing of the opposition, the Registrar ruled in favor of the respondent that the appellant mark is similar to the respondent mark as the word HORSE is the essence of the two marks which is likely to cause confusion to the public.

The Appellant herein, being not amused with the ruling and order of the Registrar dated 06th October, 2022 (in connection with Trade Mark Registration No. TZ/T/2018/548 RED HORSE in Class 32 in the name of SAN MIGUEL BREWING INTERNATIONAL LIMITED and Opposition thereto by POWER HORSE ENERGY DRINKS GmbH/ appealed to this court against the whole of the said ruling on the following grounds:

- 1. The Deputy Registrar erred in fact and in law by holding that the two marks "**RED HORSE**" and "**POWER HORSE**" are similar and hence are likely to deceive and or cause confusion between the goods of the Respondent and the Appellant and to the members of the public.*

- 2. The Deputy Registrar erred in law and in fact by holding that the Respondent's mark is a well-known mark as per section 19(d) of the Trade and Service Mark Act.*



In this judgment, I am intending to address each and every ground in seriatim, if need be, in a bid to answer whether the Registrar had legal justification to rule that the marks are similar.

At the hearing of this appeal, the appellant was represented by Ms. Georgina Bazil, advocate while the Respondent had the service of Mr. Rwekama Rweikiza, Advocate on consensus hearing was conducted through written submissions.

Submitting in support of the 1st ground of appeal, Ms. Georgina submitted that the Registrar erred in holding the mark RED HORSE and POWER HORSE are similar for the reason that the word POWER and RED connotes the same thing. She stated that there is no justification for connecting the word RED and POWER and conclude that they mean the same as they are not legal terminologies as per the Blacks law dictionary but also the Oxford English dictionary of 2009 defines the word RED to mean colour and there is no conception definition to mean Power or Energy. On the other hand, the word POWER in the respondent's mark means energy and is descriptive of its goods. It is her observation that the words RED and POWER have different meanings hence cannot lead to confusion. She continued



submitting by agreeing that the word HORSE is similar to both marks but the word is a generic word which no party has exclusive right to use as per section 18 of the Trade and Service Mark Act (Cap 324 R.E 2002) (hereinafter to be referred as the Act), so it was unfair to make a finding that the word HORSE is the essence of the two marks hence makes them similar. She stated that, the focus should not be on the generic word, but rather the dominant words which is the distinctive word RED (i.e distinctive for goods under class 32) in Appellant's Mark and the descriptive word POWER (i.e merely descriptive of the actual goods of the respondent-energy drinks) in the respondent's mark. Both of which are completely different words with different meanings and commercial impressions as explained above. Even when these different words are combined with the same generic word HORSE, the marks as a whole still have very different visual, phonetic and conceptual impressions. She referred the case which was also used by the Registrar in her decision the case of **Merck Kgaa Vs. Galaxy Hompro & Another**, Delhi High Court C.M. NO. 4285/2011 the court held that; the whole mark has to be compared to see if there is deceptive similarity between them. She insisted that Registrar erred upon considering deceptive similarity by holding that there is similarity while



ignoring the legal requirements which includes visual similarity, phonetic similarity and conceptual appearance of the mark, where the same case of **Merck Kgaa**, held that those features must be looked at when considering the question of similarity in marks.

She averred further that the question of similarity and likelihood to cause confusion to consumers, the appellant's Mark appears in its design mark which has been registered and existing in Tanzania Mainland since 2014 and in Zanzibar since 2015, well before registration of the respondent's mark as evidenced by Exhibit RH2. Appellant's registrations are still valid in force and there has been no prior finding of any potential consumer confusion between appellant's mark and respondent's mark as the appellant has previously been able to successfully obtain registrations for its RED HORSE trademarks in Tanganyika and Zanzibar. It should also be noted that appellant's RED HORSE word mark has already been registered in Zanzibar over 6 years now since 2018. Furthermore, with Appellant's design mark registrations in Tanganyika and Zanzibar, the words RED HORSE are a dominant feature. As such, these words are what consumers readily identify and recognize when coming across appellant's mark in the marketplace. It makes no legal or factual sense to state that the



registration of the appellant's mark will cause confusion and in fact seems conflicting to past decisions of tire Trademark Offices that the Registrar would now refuse registration of the word mark in Tanganyika. It is her prayer that the appeal be allowed.

Replying in opposing the 1st ground of appeal, Mr. Rwekama submitted that the respondent owns exclusive rights to the "POWER HORSE" trade mark, including rights secured through various common law use of trade mark registrations in Tanzania and internationally. The trade mark "POWER HORSE" was registered in Tanzania on 8 April 2015 as TZ/T/2015/541 under Class 32 for a specification of goods reading "Non-alcoholic drinks; energy drinks; and preparation for making beverages". Registration of this mark is valid until 8th April 2032. He stressed that the trade mark "RED HORSE" is confusingly similar to the trade mark "POWER HORSE" as the two trade marks are conceptually and visually similar. The Respondent's and the Appellant's marks share the same noun "HORSE" but vary in descriptive adjectives "POWER" and "RED" which appears to be different words but in real sense the two words connote the same thing as the word "RED" is often associated with "POWER" and given that connotation, the inclusion of the word "HORSE" in both trade marks enhanced the



conceptual similarities between the two marks. He is in agreement with the appellant that the word "RED" has been defined in dictionaries literary to mean colour but to him red is a colour of passion and energy as it draws attention like no other colour and radiates a strong and powerful energy that motivates people to take action. RED colour represents BLOOD and blood signifies health and POWER and therefore, if RED HORSE will be registered, confusingly similar to the respondent's mark "POWER HORSE" given the fact that both marks will belong to class 32 and trade in similar products. He is of the view that Section 19(d) of the Act bars the appellant from reproducing in whole or in part, imitations, translations or transcriptions, liable to create confusion of trade and business or company names which are well known in the country and belonging to the third party.

It is his submission that the Registrar correctly decided in favour of the respondent as the appellant mark "RED HORSE" would offend the provisions of Section 20(1) of the Act as it would be in conflict with the respondent's trade mark rights given that the products which the appellant wishes to offer are identical with the products being offered by the Respondent. He added that when assessing the likelihood of confusion

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between compound word marks, although each mark must be considered as a whole, it is appropriate to consider whether a portion of the mark is dominant in creating the mark's commercial impression. The dominant word in the respondent's mark and the appellant's mark is "HORSE" while the words "POWER" and "RED" are merely descriptive; they describe the "HORSE". Accordingly, if two marks for related goods (like beverages in this matter) share identical or similar dominant word, when viewed in their entireties, create similar overall commercial impressions, then confusion is likely. In comparing marks, the "dominant" or "salient" features receive greater weight than other features. Likelihood of confusion generally increases where the dominant portions (like HORSE in our case) of the marks are the same. Dominant features are important because they attract attention and consumers are more likely to remember and rely on them for purpose of source identification. He cited the American case of **National Data Corporation, 753 F.2d 1056** (Fed. Cir. 1985), the U.S. Court of Appeals for Federal Circuit agreed with the Examining Attorney, who rejected to register a mark "THE CASH MANAGEMENT EXCHANGE" in that it was confusingly similar to the earlier mark "CASH MANAGEMENT ACCOUNT" because the common words "CASH MANAGEMENT" were



dominant and had a likelihood of confusing the public given that both companies were offering similar services, analogous to the respondent and the appellant in this matter. It is his submission that the word "HORSE" is the dominant word to both marks and therefore the Registrar was right to reject registration of the appellant's mark "RED HORSE". He added that public, effectually decides dominance in many instances by abbreviating the mark or name or adopting a portion of the mark. The users of language have a universal habit of shortening full names (either from haste or laziness or just economy of words). Africans and Tanzanians in particular are part of this universal habit. For instance, you will hear Tanzanians instead of asking for "**Coca Cola**" or "**Pepsi Cola**" or "**Azam Cola**", they will ask for the beverage using the dominant word "**Coca**", "**Pepsi**" or "**Azam**" respectively. Likewise, in a quite number of retail stores, where the "POWER HORSE" energy drinks are sold, customers prefer to call it by a single word "HORSE". It is, thus invariably true, that given this universal habit, the mark "RED HORSE", if it is registered as trade mark, will end-up shorten by consumers to a single word "HORSE", hence confusing the current consumers of the "POWER HORSE" brand in Tanzania.

It was his prayer that the court should maintain the Registrar's holding so



as to avoid contravention of Section 19(d) and Section 20(1) of the Act.

While rejoining to the 1st ground of appeal, Ms. Georgina reiterated her submission in chief and added that she did not dispute the exclusive rights the respondent has over the mark POWER HORSE in Tanzania and internationally which right the appellant has under the mark RED HORSE in Tanzania and international as evidenced by the certificates of registration with exception to the word mark RED HORSE in Tanganyika. She added that the respondent stretches the meaning of the word RED to relate to the word POWER but no authority or source of such interpretation is submitted.

I appreciate the rival submissions regarding the 1st ground of appeal that *the Deputy Registrar erred in fact and in law by holding that the two marks "RED HORSE" and "POWER HORSE" are similar and hence are likely to deceive and or cause confusion between the goods of the Respondent and the Appellant and to the members of the public.* I have considered the submission in support of the appeal and those in opposing the appeal. The registration and protection of a trademark in Tanzania Mainland is regulated by the Trade and Service Marks Act, Cap 324 RE 2002, where section 2 of the Act defines a trade or service mark to mean;



"Any visible sign used or proposed to be used upon, in connection with, or in relation to goods or services for the purpose of distinguishing in the course of trade or business the goods or services of a person from those of another"

Trademark for registration must be distinctive and capable of being distinguished from goods or services within which its proprietor is or may be connected in the course of trade or business from goods or services in the case of which no such connection subsists from other trademarks identifying other products by its consumer. See Section 16 (1) and (2) of the Act.

It is evident from the records that both the appellant's trademark in question and respondent's trademark are all in relation to goods under class 32. The appellant mark in dispute is RED HORSE whose specification of goods covers "beers; mineral and aerated waters and other non-alcoholic beverages; fruits beverages and fruits juices, syrups and other preparations for making beverages" while the respondent's mark POWER HORSE specification of goods is "non-alcoholic drinks; energy drinks; and preparation for making beverages".



As the 1st ground of appeal lies on similarity of the two marks the Registrar at page 14-15 of her ruling held that:

"I agree with the learned Counsel for the opponent that the opponents mark and the Applicants mark share the same noun HORSE but vary in descriptive adjectives POWER and RED which connoted the same thing. The Colour RED is usually associated with POWER, while HORSE does not mean anything in relationship with class 32 which covers Beers, non-alcoholic beverages, mineral aerated waters, fruit beverages and fruit juices syrups and other preparations for making non-alcoholic beverages It is my finding therefore that HORSE is the essence of the two marks hence makes them similar."

The appellant disputed the marks to be similar stating that the dominant words in the mark are RED and POWER which have different meanings and that the word HORSE is similar to both marks but it is a generic word which no party has exclusive right to use as per section 18 of the Act. The respondents catch the Registrar view that the words RED and POWER connotes the same thing hence making the marks to resemble.

Section 20(1) of the Act, bars the registration of identical or resembling trade or service marks. Thus, the court's duty under the complained



circumstances is to see if the two trademarks are used simultaneously in the marketplace may lead to confusion or deceive consumers. In the case of **Tanzania Breweries Ltd versus Kibo Breweries and Kenya Breweries**, Civil case no. 34 of 1999 (unreported) this court once held:

*"Court has to wear the shoes of a common man, **spread the marks before it and ask itself whether there are resemblances between the two which would make it pick a product which was not intended but the opposite**" (Emphasis added)*

Also, in the case of **Kiwi European Holdings B v versus Sajad Ali Limited** [2005] TLR 43 held that:

*"(iv)It is the duty of the judge to decide **whether the trade mark complained of so resembles the registered mark as to be likely to deceive or cause confusion in the minds of the public.***

*(v)In deciding the question of similarity between two marks, one has to approach it from the point of **view of a man of average intelligence and of imperfect recollection, and that an ordinary purchaser is not gifted with immense powers of observation'***
(Emphasis added)



While working on the above role vested to the court, there is no doubt that the marks in conflict RED HORSE and POWER HORSE are composite marks. According to <http://www.lsd.law>. A composite trademark has been defined to be "a type of trademark that is made up of several words that form a distinctive whole, even if the individual words are ordinary. For example, the trademark 'Just DO it' by Nike is a composite trademark".

This court in the case of **Clover SA (PROPRIETARY)Limited versus Tropicana products, Inc**, Civil Appeal no.102 of 2022 at page 12 applied with approval the **Rule of Anti-Dissection** which was discussed in the case of **M/S South India Beverages Pvt Ltd v General Mills Marketing Inc. and Another** (No. 961/2013 in CS (OS) 110/2013) that:-

"Courts while dealing with cases of trademark infringement involving composite marks, must consider the composite marks in their entirety as an indivisible whole rather than truncating or dissecting them into its parts and make comparison with the corresponding parts of a rival mark to determine the likelihood of confusion".

In the case of **Clover** (supra) this court held:

"The composite marks are to be considered in their entirety. A mark is not to be dissected or split up

into its parts and have each party compared with corresponding parts of the conflicting mark to determine the likelihood of confusion. The rationale for the rule is said to be the commercial impression of a composite trademark on an ordinary customer which is normally created by the mark as a whole. This means that the likelihood of confusion is to be assessed from the level of the impression formed by the mark to the ordinary customer in the marketplace, not the impression created from a scrupulous assessment as expressed in carefully weighed analysis in legal briefs.” (emphasis added).

This was also the position in **Merck Kgaa** (supra) where the Delhi High Court held that:

“The law confers on the proprietor the exclusive right to the use of the trade mark as a whole, and not a part of it. The whole marks have to be compared to decide...”

In assessing the similarities between the two composite trademarks RED HORSE and POWER HORSE, the rules of comparison direct consideration be in relation to ear and eye. In **Stiefel Laboratories, Inc & Another vs Ajanta Pharma Ltd**, 211(2014) DLT the same Indian Court said: -



*"... You must take the two words. You must judge them, **both by their look & by their sound.** You must consider the goods to which they are to be applied. You must consider the nature & kind of customer who would be likely to buy those goods. You must consider all the surrounding circumstances, and you must further consider what is likely to happen if each of those trademarks is used in a normal way as a trademark for the goods of the respective owners of the marks. If considering all those circumstances, you conclude that there will be confusion-that is to say, not necessarily that one man will be injured & the other will gain the illicit benefit, but that there will be confusion in the mind of the public which will lead to confusion in the goods-then you may refuse the registration, or rather you must refuse the registration in that case"*

From the above position, taking into account the rival composite trademarks RED HORSE and POWER HORSE do differ in how they sound, look and structure in particular the first part i.e RED and POWER. These words also, I find them having different meaning. The Registrar in her ruling observed that the two words connotes the same thing but unfortunately there is no where she stated the source of such finding as from my finding the word RED means colour and while POWER means



energy. Therefore, am in sound position that the trademarks RED HORSE and POWER HORSE are quite different from each other.

I understand that the appellant's trademark and the respondent's trademark are both in the same class 32 with a little more same goods and that the consumers of their products in some point might be the same. As the records states that the respondent trademark was registered in Tanzania since 2014, it is also evident under annexure RH2 to the statutory declaration that the appellant design mark with the word RED HORSE in between was registered in Tanzania by the Registrar in 2015, there is no any confusion has been submitted by the respondent that such design mark has resulted in the market. I am in a place now to say that the Registrar erred by ruling that the two marks are similar while they are quite distinct, eventually I find the 1st ground of appeal merited hence the same is allowed.


In the premises and for the afore going, I find no reason to attend the 2nd ground of appeal as the 1st ground suffice to dispose the appeal.


Consequently, the appeal is allowed. The Registrar of Trade and Service Marks erred to rule in favour of the respondent that the mark POWER




HORSE and RED HORSE are similar, they are quite distinct. The decision of the Registrar is overturned with costs, ruling and orders are hereby quashed and set aside. It is so ordered.


Date at Dar es Salaam this **10th** day of **June, 2024**.




D. P. Ngunyale
JUDGE

Ruling delivered this **10th** day of **June, 2024** in presence of learned Counsels Ms. Georgina for the appellant and Mr. Rwekama Rwekiza assisted by Oscar Mfinanga for the respondent all linked via virtual court while to their respective premises.




D. P. Ngunyale
JUDGE